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Social Security Bulletin

September 1944

Vol. 7

No. 9

Money Payment in Public Assistance

*Unemployment Compensation Goals in the
Reconversion Period*

Experience-Rating Operations in 1943

The British White Paper on Employment Policy

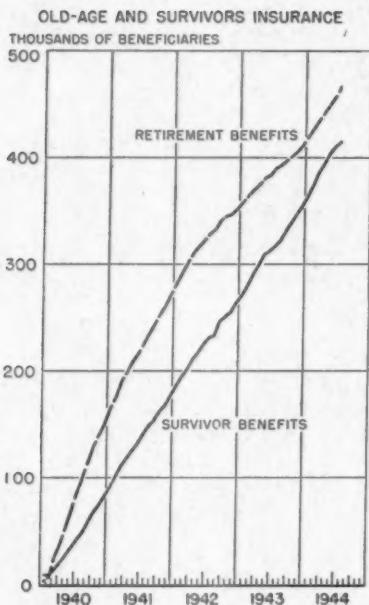
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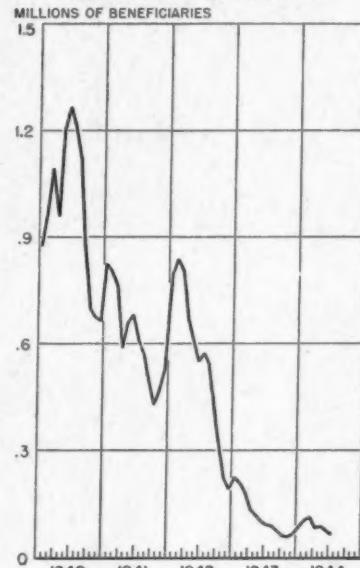
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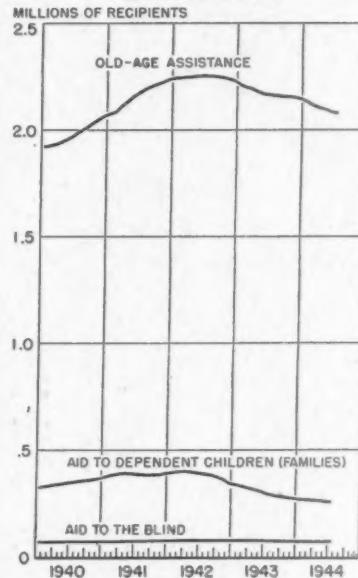
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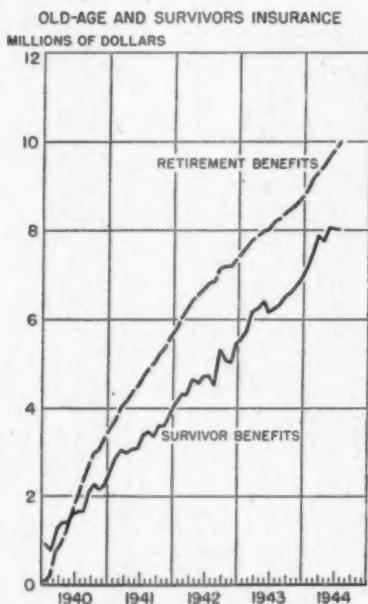
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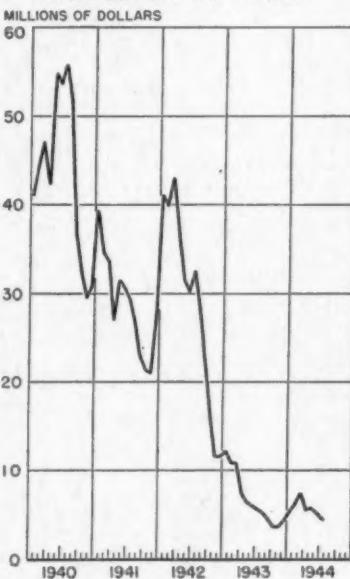
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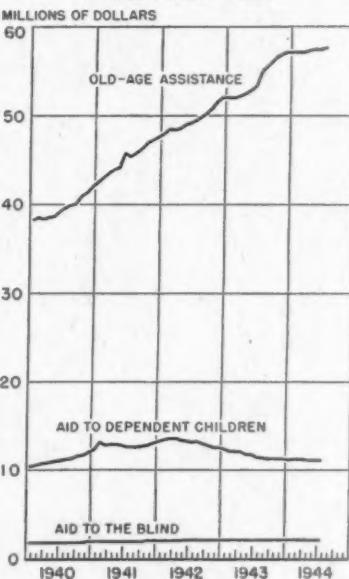
SOCIAL SECURITY PAYMENTS



UNEMPLOYMENT COMPENSATION



PUBLIC ASSISTANCE



* Old-age and survivors insurance, beneficiaries for whom payments were certified and amounts certified during month; unemployment compensation, weekly average number of beneficiaries for the month and gross benefits paid during the month under laws of States and Territories; public assistance, recipients and payments in the continental United States under all State plans.

Social Security Bulletin

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Social Security in Review

The Programs in July

There were 19.1 million women and girls in the civilian labor force in July, the largest number ever recorded. The increase from July 1943 was almost half a million, and from July 1940, more than 5 million. The total labor force of 55 million was the highest for this year, although not up to the July levels of the preceding 4 years. Unemployment was estimated at a million persons, as in June.

UNEMPLOYMENT COMPENSATION claims and benefit payments reached in July the lowest levels for any month this year. Although benefit expenditures in the country as a whole were almost one-fourth greater than the all-time low of November 1943, they were two-fifths below March expenditures, the high point so far in 1944. In comparison with July 1943 levels, all but 12 States—more than half of them in the Rocky Mountain and Pacific Coast areas—reported lower expenditures, and only 5 States reported higher volumes of initial claims. The average weekly benefit check for total unemployment was \$15.86 in the country as a whole; among the States the averages ranged from less than \$9 in North Carolina and South Dakota to more than \$19 in Connecticut and Hawaii.

UNDER OLD-AGE AND SURVIVORS INSURANCE, benefit awards were made to somewhat fewer beneficiaries—particularly survivor beneficiaries—in July than in the 2 preceding months, but the total number in force and the monthly amount both moved upward during the month. For the first time, benefits were in force for more than a million beneficiaries, one-fourth more than the number at the end of July 1943. Payments on almost one-sixth of the benefits were being withheld, chiefly because the beneficiary himself, or the primary beneficiary on whose wages the benefit was based,

was working in covered employment. Figures given elsewhere in this issue show that relatively fewer of the benefits of old people—primary and wife's benefits—were being withheld at the end of June than 6 months earlier, though for each of the other types of benefits the proportion was somewhat higher.

IN PUBLIC ASSISTANCE, the number of recipients continued to decline in each of the four programs in July, and the amount of assistance was less than in June in all but old-age assistance. The total expended in the continental United States also declined, though the average payment increased slightly for all programs but general

assistance. July was the fourth month in which expenditures declined in the country as a whole, but the July amount was slightly higher than that a year earlier.

Training War Workers, 1940-44

When the defense program began, the country faced not only an overwhelming demand for workers in the expanding war industries but also the lack, among workers accustomed to peacetime occupations, of skills required in war production. Thousands of workers had to learn new jobs and new skills, and learn them rapidly—often on the new job. Highly specialized training programs had to be set up for many wartime occupations and at every level of performance. The entire training facilities of industry, of public and pri-

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vate educational institutions, and of the several Government training programs had to be brought together and expanded. A report issued on August 24 by the Chairman of the War Manpower Commission announced that during the 4 years, July 1940-June 1944, more than 13 million men and women have been enrolled for training under the various programs. The peak enrollment was in 1942-43, when 4.8 million workers participated; in 1943-44, enrollments totaled 4 million.

In June 1940 Congress appropriated money to open the public vocational schools for summer courses in occupations essential to defense industries. In a few months the initial appropriation was supplemented, and the program was expanded to include not only the original pre-employment and supplementary training programs but also intensive full and part-time engineering courses; training of out-of-school rural and nonrural youth; and training of young people employed on NYA work projects. The Apprentice Training Service program was also expanded, and a new Training Within Industry Division was set up in the Office of Production Management. Responsibility for directing and coordinating the agencies administering these programs was later placed in a Bureau of Training in the War Manpower Commission.

The two principal vocational training programs—Vocational Training for War Production Workers, and Rural War Production Training—are administered by the U. S. Office of Education, in cooperation with State boards for vocational education and local public school systems. Through June 1944, the first of these programs had enrolled 6.6 million workers, 2.6 million in pre-employment and 4 million in supplementary courses. The second, designed to equip rural workers to meet needs imposed by the war on farm and rural communities, had enrolled 3 million.

The Office of Education also administers the Engineering, Science, and Management War Training Program, which sponsors short intensive training courses, given in selected colleges, in engineering, chemistry, physics, and production supervision; 1.6 million persons have been enrolled under this program.

During the same 4-year period, the Apprentice Training Service of the WMC served 43,050 plants. The Service works with employers in planning and developing apprenticeship programs and in studying individual plant operations to develop organized programs of advancement for individual workers.

Training Within Industry concentrates largely on the training of supervisors, but it also advises war plants on training programs to be carried on within the plant. In the 4-year period it enrolled 1.4 million supervisors, who in turn instructed millions of war workers.

Canada's Family Allowances Act

FAMILY ALLOWANCES, payable by the Canadian Government in behalf of all dependent children under age 16 in the Dominion, were established on August 1, by the Family Allowances Act, 1944. The allowances, which become effective July 1, 1945, are to be paid from general revenues and without a means test. The amount of the allowance varies with the age of the child and also with the number of children in the family.

For each of the first four children in a family, the allowance will be \$5 a month from birth up to age 6; \$6 for ages 6-9; \$7 for ages 10-12; and \$8 for ages 13-15. For families with more than four children, the allowance for the fifth child is reduced by \$1; for the sixth and seventh, by \$2; and for each child beyond the seventh, by \$3.

The allowances are payable to the parent or other authorized person and must be applied "exclusively towards the maintenance, care, training, education and advancement of the child." If it is found that they are not being so applied, the Minister of National Health and Welfare or other authorized officer shall discontinue the allowance or make the payment to some other person or agency to use on behalf of the child.

Appeal from the decision of the authorities concerning any of the act's provisions may be made to an appeals tribunal established by regulation; the tribunal's decision is not subject to court appeal or review.

The act provides against duplication of benefits, except those payable under the pension act and dependents' allowances to children of mem-

bers of the naval, military, or air forces; specifically, the amount of the tax deductions for dependents, now authorized under the Income War Tax Act, shall be adjusted to prevent duplication of benefits between the two acts.

In presenting the bill, Prime Minister W. L. Mackenzie King pointed out "that 84 percent of the children in Canada under 16 are dependent upon only 19 percent of the gainfully employed. The major burden of raising the next generation and perpetuating the Canadian Nation falls on less than one-fifth of our working population." It is only fair, he added, that the financial burden of this great national service be shared by all. The Nation is spending large sums on scientific research and the development of resources, and attention must be given to nourishing and improving the human resources.

The total annual cost for the 3½ million children who will be eligible for the allowances is estimated at \$253.2 million. Since this amount includes about \$50 million now granted income tax payers for dependents, the net cost will be about \$200 million. Cost of operation is estimated at not more than 2 percent.

All parties in the House of Commons agreed to the principles of the bill. Though arguments were advanced that it was unconstitutional and invaded the jurisdiction of the Provinces and that it seriously endangered the setting up of minimum wage standards and might be accepted as a substitute for higher wage levels, the final vote in the House of Commons was 139-0.

A Special Committee on Social Security of the Canadian House of Commons was appointed in March 1943 to consider and report on comprehensive social security legislation, supplementing and unifying the programs already in operation. A national system of contributory unemployment insurance was established in August 1940; the Dominion also provides allowances and other assistance for war veterans. A Dominion-Provincial program provides old-age and blind pensions, and Provincial systems are in effect for workmen's compensation, mothers' allowances, and various welfare services.

The provision of a national system
(Continued on page 35)

The Significance of the Money Payment in Public Assistance¹

By Jane M. Hoey*

Under the Social Security Act the public assistance for which Federal grants are made is defined as "money payments" to or in behalf of needy persons. In accordance with the intent expressed by Congress in framing the law and with judicial definitions, the Social Security Board has interpreted money payments to mean that "payments must be in cash, checks, or warrants immediately redeemable at par, and that payments must be made to the grantee or his legal guardian at regular intervals with no restriction on the use of the funds by the individual."²

THE MONEY PAYMENT in public assistance under the Social Security Act is one milestone in the long road toward recognition that need itself, not the needy person, is the danger to society, and that the security of society includes security of the poor. It is one of several provisions in the act which affirm that recipients of assistance have the same personal rights and responsibilities as their friends, neighbors, and others in the community.

Recognition that the needy have a right to public aid is more than three centuries old among English-speaking peoples. The act's specification of "money payments" and the interpretation of that phrase to assure the recipient's right to use his payment as he would money received from any other source is new in principle, however, and still not fully realized in practice.

Poor-Law Philosophy and Social Security

The money payment as a method of providing assistance reflects a long, progressive development in concepts

of social responsibilities. The full significance of the method is sharpened by comparing the philosophy underlying most practice in the nineteenth century with recent legislation establishing rights to public aid. The principle underlying the money payment is diametrically opposed to the philosophy of the poor laws, which dominated public relief for many generations and still, unfortunately, colors some current practices. Early statutes assumed that the fact that a person was in need in itself branded him as incompetent or worse. "Poor relief" accordingly was based on the premise that needy persons were suffering from a weakness or vice against which society must protect itself and them.

As the price of exercising their right to public aid, needy persons had to enter workhouses or poorhouses under what sometimes amounted to penal discipline. Even now some persons who receive public aid in the United States are, for that reason alone, stigmatized by the publication of their names in pauper lists, deprived of the right to direct their family affairs, and denied any opportunity to decide how best to use whatever aid can be supplied for them.

All these penalties, it should be emphasized, react upon the community as well as on the persons who receive aid, because they weaken or destroy the recipient's capacity for self-direction, judgment, and self-reliance and thus tend to perpetuate his dependency. They constitute as vicious a circle as the old penal practice of imprisoning a debtor and so depriving him of any opportunity to pay his debt.

The term "social security" epit-

omizes the difference between the poor-law philosophy and the present-day approach to problems of dependency in the United States and other countries. It is the security of society, including the poor, not "relief of the poor" which is at stake. The focus is on the factors or conditions which make for or perpetuate poverty and insecurity, not on the imputed failings or vices of individuals. The effort is to enable the individual to keep or regain a responsible place in the life of his family, neighborhood, and community—not to cast him out, humiliate or scare him, and deny him an opportunity for self-direction. The basic objective is to conserve human resources in the interest not only of the individual but also of the community and Nation of which he is a part.

The advance from the old poor-law philosophy may be seen in a remark in an annual report of the Local Government Board of London in the 1870's which declared: "Relief given as of right must tend to encourage improvidence to a greater degree than that which, being a matter not of right but of voluntary, precarious, and intermittent charity, cannot be so surely anticipated as a future resource."³ The report pointed out further that the poor must be given clearly to understand that private outrelief, as contrasted with the workhouse, would be granted "only as an indulgence to deserving cases."⁴ To this view, one might reply in the words of another Englishman, Winston Churchill, speaking 35 years later. "If terror be an incentive to thrift, surely the penalties of the system which we have abandoned ought to have stimulated thrift as much as anything could have been stimulated in this world . . . where there is no hope, be sure there will be no thrift."⁵

The Social Security Act is designed to prevent or counteract economic need arising from several major causes—unemployment, old age, death of the family breadwinner, blindness, and loss of parental sup-

*Director, Bureau of Public Assistance.
This article is based in part on "Money Payments to Recipients of Old-Age Assistance, Aid to Dependent Children, and Aid to the Blind," a statement on policy and legal and administrative considerations of money payments under the Social Security Act (Bureau Circular No. 17, March 1944, prepared by the Bureau of Public Assistance in collaboration with the Bureau of Accounts and Audits, Social Security Board, and the Office of the General Counsel, Federal Security Agency).

¹ Sections 6, 406, and 1006.

² *Guide to Public Assistance Administration*, Bureau of Public Assistance Circular No. 9, sec. 211, p. 1, August 11, 1941.

³ Local Government Board, *Third Annual Report*, 1873-74, quoted by de Schweinitz, Karl, *England's Road to Social Security*, 1943, p. 160.

⁴ *Ibid.*, p. 159.

⁵ *Ibid.*, p. 189 (speech at Dundee on unemployment, October 10, 1908).

port or care by reason of a parent's death, incapacity, or absence from the home. The act makes two approaches to these causes of insecurity: social insurance to offset wage losses and thus help to prevent poverty, and public assistance to meet current need. It is significant that our basic social security legislation combines both these approaches in a single act and under a single administrative agency. Moreover, several of the administrative methods required by the act are the same for social insurance and public assistance.

Under both types of programs, there must be provision for a fair hearing for persons who believe their claims or applications have been denied unjustly; for both, it is required that personal information concerning applicants and recipients shall be held confidential; and both assistance and insurance benefits must be paid regularly, under established and known conditions, and must be paid in money. These and other parallels suggest a common denominator which Congress intended should characterize administration of social insurance and public assistance. The form and character of the assistance for which Federal funds are authorized are thus an integral part of the comprehensive purposes and objectives of the social security program as a whole.

The Money Payment and Other Forms of Assistance

The money payment is the only form of assistance provided under the Social Security Act. Other forms in common use are assistance in kind, voucher relief and payment to the vendor, and restricted cash payments. Assistance in kind may be given in the form of institutional care or through provision of services or goods. The restricted cash payment is, as the term implies, a payment given under some condition or limitation which the agency imposes on the recipient's use of the money—for example, a check given with the specific understanding that the client will use it for a particular purpose, such as buying eyeglasses or paying a plumber's bill.

The agency's decision on the form of assistance may be controlled by law and often is influenced by other factors, including community attitudes toward public assistance. In

determining the form of assistance to be provided, legislators and administrators should recognize the capacity of persons who live in a money economy to use money and the importance of making it possible for recipients to keep or develop capacity for handling money and planning expenditures.

Many persons with low incomes have become, of necessity, good shoppers and improvisers. Their skill in the use of money may be greater than that of agency personnel in handling it for them. Since in our economy the use of money plays so large a part in maintaining normal personal and community relationships, the money payment has come to be widely accepted as the method of assistance which best meets the needs of the great majority of persons who require public aid. It is the only form of assistance in which the Federal Government can participate financially under the Social Security Act, and it now represents a very large part of all public aid in the United States.

The money payment leaves the recipient fully responsible for deciding what use of his assistance check will best serve his and his family's interests. It is an indication to him and to his family, friends, and neighbors that he has not, through financial dependency, lost his capacity or responsibility for handling his affairs. It is to the interest of the community, as well as of the individual, that these capacities be conserved and encouraged and that public administration in this field should be in keeping with the ideals and traditions of a democracy.

That a few recipients may use their money payments unwisely does not vitiate use of the principle for the great majority. Perhaps it does not vitiate it even for the unwise few when the long-range implications of other practices are considered. One of the basic issues at stake in the recipient's right to use his assistance as he deems best was stated recently by a judge in a letter explaining the court's refusal to force a poverty-stricken and illiterate parent to accept institutional care for her child.¹

¹ Letter from the Hon. Marion G. Woodward, Judge of the Superior Court No. 3, San Joaquin County, Calif., published, by permission, in the *American Journal of Public Health and the Nation's Health*, Vol. 34, No. 5 (May 1944), pp. 532-534.

"Ordinary poverty," he writes, "is generally the excuse but it is not always a justification for interference . . . a poverty-stricken illiterate does not necessarily by that fact alone, forfeit the natural right of being the head of his family and making decisions for his minor children." The judge points out that, while these decisions may not always be wise, the application of force to an indigent person may not be justified by the fact that something apparently is "good" for him. "In recent years," he continues, "we have seen whole populations abroad yield to the seduction of paternalism . . . only to be ruthlessly exploited and persecuted. We do not want the lust for power which is now dominating the minds of so many little men, to wreck our heritage of freedom and individual initiative."

Development of Payments in Money

Like the philosophy on which it is founded, the money payment is of relatively recent origin in this or other countries. The record of its development is a long unsuccessful trial of other forms of public aid and of cautious experimentation in the use of cash relief, typically hedged about with many restrictions and safeguards.

Apparently the first real trial of cash relief in the United States was in Chicago after the great fire of 1871. For 2 years after the fire, the Chicago Relief and Aid Society bought and distributed food, clothing, bedding, furniture, fuel, and the like, believing that it "could purchase in large quantities at lower rates, and disburse [the goods] with greater economy and satisfaction than individuals could procure them."² In May 1873 that plan was abandoned because of "the expense of keeping up several large storehouses, the inevitable waste and loss in handling, and numerous complaints as to quantity and quality."

The agency then tried issuing orders or vouchers on dealers in various parts of the city, who delivered the goods to relief families in their own homes. This plan, however, "soon proved less satisfactory than the first." Charges of fraud in quantity or quality of the goods provided were

² Chicago Relief and Aid Society, *Sixteenth Annual Report*, 1873, quoted in Colcord, Joanna C., *Cash Relief*, 1936, p. 9.

no less frequent. It was then decided to abandon relief in kind except for fuel, blankets, and shoes, and to give money for all other purposes. "Whatever objections may be urged against this policy," the agency reported, "we think that it is justified by experience . . . The applicants can in most cases make as good or better use of the money in providing only that which they most need, and being obliged to receive nothing they do not want."⁹

The principal objection to giving cash, the report continued, "is the possible abuse of money by some. The proportion of such cases is small, and any kind of goods can very readily be diverted by the intemperate. The mass of worthy, honest, and economical poor should not be treated as thieves and paupers, because large numbers of these last classes attempt to defraud us, or because a few of them may possibly succeed in doing so."

Within the next half century a cash "allowance" became the accepted basis of practice in private relief agencies, which largely discontinued grocery orders, clothing bundles, and other relief in kind in "realization of the need of conserving family independence and self-respect . . ."¹⁰ When, in the first quarter of this century, States began to establish special programs for assistance to selected groups of needy persons in their own homes, the principle of a cash allowance was adopted from the beginning.

Possibly following the example of the pensions which long had been paid to war veterans and their widows and orphans, State aid for widowed mothers, the aged, and the blind was generally called a "pension" and paid in cash. These "pensions" went to groups whose need could readily be attributed to some objective factor not within their individual control. An objective basis also was evident in the cash awards to injured workers or their survivors under the Federal and State workmen's compensation laws which, beginning with 1908, began to establish the principle of social responsibility for preventing and offsetting wage losses under the first

substantial development of social insurance in the United States.

In general public assistance, however, the philosophy of the poor law remained, and the use of relief in kind was the usual practice until the depression of the 1930's. Even at that time, when need was widespread and its cause was dramatically evident, public agencies in many areas were very reluctant to accept the invitation of the Federal Emergency Relief Administration to experiment with cash relief. Oppressed by the administrative burdens of trying to administer relief in kind, several agencies, however, made a cautious trial of substituting cash allowances for voucher relief or relief in kind. As experience lengthened, city after city reported, often in surprise, that clients who were entrusted with money were paying their rent and other bills regularly and were using the money wisely, often with greater ingenuity and skill than the agency could have exercised in their behalf. Nearly all recipients greatly preferred to receive relief in cash.

Cash relief or a "cash allowance," which suggests the allowance given by a parent to a child, ordinarily differed basically from the money payment established by the Social Security Act. A description of private agency practice in 1923 refers to the "tremendous advantages of the *carefully supervised* cash allowance because of the training which it gives in household management and individual budget planning."¹¹ In common practice, recipients of private or public cash relief were required to show receipted bills or account for their expenditures of relief in other ways or received money only on condition that it be spent for purposes approved by the agency. Though far more satisfactory than the dole of groceries, clothing, and the like, cash relief remained something of an "indulgence" meted out by the agency to selected families or groups which won and retained the agency's approval by acting in accordance with its idea of what was best for them.

Client-Agency Responsibilities in Public Assistance

In contrast to the paternalism so often inherent in older forms of aid,

the money payment predicates a relationship in which both the agency and the recipient carry definite and separate responsibilities.

The assistance agency is responsible for interpreting to the recipient the purpose and eligibility requirements of the program and his rights and obligations under its provisions; for considering, with him, his requirements and resources and determining, on the basis of sound and equitable standards, the amount of assistance required to meet his need; for providing, within legal, financial, and administrative limitations, assistance to enable the individual to meet that need without loss of his personal freedom and responsibility; and for making available services consistent with the function of the agency to facilitate his use of money payments and other personal, family, and community resources.

The recipient, on his part, has responsibility for informing the agency of his needs and for supplying the information on his requirements and resources which is pertinent to the determination of need and to other factors in establishing his eligibility. His responsibility for directing his affairs, managing his money, and discharging his obligation remains the same as that of any other member of the community.

The provision for money payments in the Federal statute does not imply any lack of appreciation on the part of legislators or administrators of the services which may be required by needy persons, like others, and which may be met appropriately through the public assistance program. On the contrary, both in policy statements of the Board and in studies and specific statements of the Bureau of Public Assistance, the importance of such services has often been asserted.¹² The character of the money payment is affirmative. It is an assertion that economic need does not in itself abridge or weaken the personal rights or lessen the personal responsibilities of members of a democracy, and that the present and future interests of society, as well as of the individual, are best served by maintaining these rights and responsibilities.

⁹ *Ibid.*, p. 10.
¹⁰ Colcord, Joanna C., "Relief," *The Family*, Vol. 4 (March 1923), p. 14.

¹¹ *Ibid.* Italic supplied.

¹² See, among other statements, *Sheltered Care and Home Services for Public Assistance Recipients*, Bureau of Public Assistance Report No. 5, 1944.

Unemployment Compensation Goals in the Reconversion Period

By Gladys R. Friedman and William H. Wandel*

THE PROBLEMS confronting the country at the end of this war will be far greater than at the end of the last war. The number of men in the armed forces will be three times that in 1918-19. Far more civilian workers have been engaged in war production this time than during the last war. Despite efforts to plan an orderly transition from a war to a peacetime economy, there will inevitably be tremendous shifts of populations from war-production centers to centers of civilian production. Thousands of persons will lose jobs that they have held during the war and will have to seek jobs in other occupations. These jobs will require different skills; they will be jobs in different localities and in the production of different goods. The shifts will inevitably result in a substantial volume of temporary unemployment.

At the end of the last war no unemployment compensation law was on the statute books of any State or of the Federal Government. The employment service, which had expanded during the war, shrank to a mere skeleton. The civilian worker and the returning veterans looking for jobs had no effective public employment service to aid them in their search and no benefits available to them as a right if they could not find work. Their only recourse was to local public and private employment agencies for work applications and to local and private charity for relief. The armistice ushered in a period of uncertainty and tension for tens of thousands of civilian workers and veterans.

Today fortunately we are far better prepared for the reconversion period than we were at the end of the last war. For protecting workers through this difficult transition period of temporary unemployment, no better mechanism exists than unemployment compensation. To bridge the gap between war and peacetime work, it will be necessary to keep in contact with workers who

lose their war jobs, to know where jobs are developing so that unemployed workers can be directed to them, and to pay benefits between jobs to workers who are unemployed, able and available for work, and registered for work. This is the function that the employment security program is designed to perform. It will not take the place of fully developed plans for maintaining a high level of employment. The full exploitation of the advantages of unemployment compensation, however, will make unnecessary other less appropriate governmental measures to maintain the labor force until reemployment. It will contribute most to a smooth reconversion and furnish the strongest guarantees to private enterprise.

Unemployment compensation systems now operating in all 48 States, the District of Columbia, Alaska, and Hawaii, and the special Federal system for railroad workers have all been paying benefits for at least 5 years. They have administrative staffs skilled and well acquainted with the types of problems that are likely to occur. They have accumulated more than \$5.5 billion for the payment of benefits to eligible unemployed workers. These funds have been collected to meet just the type of unemployment problems we are likely to face in the post-war reconversion period.

If, however, unemployment compensation is to play a major role in the reconversion period, it will be necessary (1) to broaden coverage, (2) to increase potential duration of benefits, (3) to raise the maximum benefit amount, and (4) to preclude disqualification provisions from nullifying the protection provided by the insurance system. These objectives should be accomplished in spite of any interstate competition for reduced contribution rates. While there are other goals which should be attained—such as removing the special provisions restricting the benefit rights of seasonal workers, including dependents' allowances, raising the low minimum benefit

amounts, and reducing the waiting period in every State law to 1 week—these are the four major goals the program must attain if unemployment compensation is to be an effective device in the reconversion period.

Coverage

Although the employed workers covered by State unemployment compensation laws increased from 20 million in 1938 to 30.7 million in September 1943, as a result of wartime employment and also of some expansion of State laws, many workers are still not included under any unemployment compensation law. Among the more important groups not covered are employees of small firms, maritime workers, Federal employees, and agricultural labor.

Approximately 3 million workers are still without coverage because they work for small employers. These workers have generally not had the same increase in wages as those employed by large firms; many of them, moreover, will lose their jobs after the war, because a returning veteran has a prior right to it or because of the uncertainties that many small businessmen are likely to face in this period. Employers of one or more employees are already covered by Federal old-age and survivors insurance and by 13 State unemployment compensation laws. Coverage under the unemployment compensation program need be no great administrative burden on small employers, since they are already reporting under old-age and survivors insurance. The success of the 13 States in covering these workers also demonstrates that the additional administrative job for State agencies is no real obstacle.

About 200,000 maritime workers are excluded from unemployment compensation. These workers have engaged during the war in service comparable in danger to that in the armed services, yet, unlike other workers engaged in industry and commerce, they have no protection against wage loss when unemployed.

Civilian employment in the Federal Government rose from 1.1 million in January 1941 to about 3.3 million in June 1944. Many of these employees left jobs in private industry to take work in navy yards, shipyards, and arsenals and are doing

*Program Division, Bureau of Employment Security.

work essentially the same as civilian workers in the same localities and in the same occupations. The latter will be protected by unemployment compensation legislation when the war ends. The workers employed by the Federal Government will not. The problem of Federal workers is, however, not confined to the manufacturing establishments of the United States Government. Most of the workers hired by the Government during the war may lose their jobs at the end of hostilities; many of them formerly covered by unemployment compensation laws have lost their rights as a result of their Federal employment and will have nothing to fall back on until they can be re-employed.

Another large group of workers not now protected by unemployment compensation laws are agricultural workers. In their periods of unemployment, farm workers, too, need the type of protection offered by an unemployment compensation program. While the administrative problems inherent in covering all agricultural workers may be too great to attempt at this time, there is good reason why, at a minimum, workers on industrialized farms should be included under unemployment compensation. This work is in many ways similar to work in manufacturing establishments. The administrative task of including these workers under an unemployment compensation program should create no problem.

Duration of Benefits

No one knows how long it will take plants to reconvert to peacetime production or to reemploy workers laid off because veterans take their jobs. However, unless benefits will be payable for a sufficient duration to maintain the labor force until business has a fair chance to convert to peacetime production, substitute governmental action for the provision of work or purchasing power will have to be taken. Certainly 26 weeks is not too long a period to give business that "fair chance." No State law now reaches that level.

If the adjustment period is as brief as is hoped, the increased duration of benefits will not cost much, since workers will get jobs and not use up their benefit rights; if it is longer, increased duration of benefits will be

well worth the cost. The reconversion period will be just the time when such protection is necessary if unemployment compensation is to fulfill its function.

It has been said that increasing duration of benefits to about 26 weeks a year will result in malingering and preference for benefits instead of jobs. Such statements suggest that the shorter the duration of benefits, the more effective would be the program and that probably no program at all would be the most effective. Full employment of the war years has already obliterated from the minds of some the reason for the enactment of unemployment compensation—the fact that unemployment is not caused by individual frailty but by economic circumstances. Moreover, mere extension of potential duration does not automatically provide benefits for longer periods; workers who refuse suitable employment will still be disqualified from receiving benefits. Adequate duration of benefits will go a long way in aiding the worker in search of a job; it will go a long way toward maintaining our standard of living, purchasing power, and employment.

Provisions of existing laws for even the maximum duration of benefits do not measure up to the responsibilities which will be placed on unemployment insurance in the reconversion period. In 28 States benefits may be drawn for only 16 weeks or less. Only 4 States assure 20 weeks of benefits to all eligible workers.

Maximum duration of benefits (in weeks)	Number of States with specified type of duration provisions, 1944	
	Uniform	Variable
14	1	1
15	1	1
16	7	18
17	1	1
18	3	4
20	4	19
23	2	

¹ Includes Wisconsin and applies to payments for continuous unemployment from any 1 employer's account.

In 36 States the duration of benefits is related to the amount of employment or earnings which the worker had in a previous period, with a specified maximum duration. The other 15 States have a uniform duration of benefits for all claimants. Uniform duration of benefits is certainly more

simple to understand, and consequently it will go further to supply that security which workers feel as well as experience.

In the 36 States with variable duration, many workers who meet the earnings requirement of the State laws are eligible for far less than the maximum benefit duration provided. In 3 States some eligible workers may be entitled to as little as 2 and a fraction weeks of benefits in a year; in 2 other States, only 3 weeks a year. In these 36 variable-duration States, minimum duration of benefits for eligible workers is as follows:

Minimum duration (in weeks)	Number of States, 1944
2 but less than 3	3
3 but less than 4	2
4 but less than 5	2
5 but less than 6	2
6 but less than 7	7
7 but less than 8	8
8 but less than 9	3
9 but less than 10	2
10 but less than 11	5
11 but less than 12	1
12 but less than 13	1

Figures on the average potential duration¹ of benefits of eligible claimants are a better measure of the extent to which variable-duration provisions limit the benefit rights of individuals than are the minimum-duration provisions in State laws. In 1941, a pre-war year of fairly high employment, nine States with provisions relating benefit duration to an individual's previous earnings provided average potential duration of less than 11 weeks to all eligible claimants; no State with uniform duration of benefits provided such limited benefits. At least 25 percent of the eligible claimants in nine States had potential duration of less than 8 weeks. The average potential duration of eligible claimants in variable-duration States, for benefit years ending 1941 and 1942, was as follows:

Average potential duration (weeks)	Number of States ¹	
	1941	1942
Less than 10	4	6
10 but less than 11	5	4
11 but less than 12	3	4
12 but less than 13	3	6
13 but less than 14	3	6
14 but less than 15	9	5
15 but less than 16	3	2
16 or more	2	5

¹ Figures available for 29 variable-duration States in 1941 and 32 in 1942.

² Potential duration of benefits for which claimants actually qualify, within the minimum and maximum limitations of the law.

The need for longer duration is shown also by the large proportion of claimants who ordinarily are still unemployed when they exhaust their benefits. In a rather good year like 1941, about half of all eligible workers failed to be reemployed before exhausting their benefit rights. In five States the proportion was at least 60 percent.

Percent of beneficiaries exhausting benefit rights	Number of States ¹ in benefit years ending in—	
	1941	1942
Less than 20	2	3
20 but less than 30	2	8
30 but less than 40	5	15
40 but less than 50	20	15
50 but less than 60	14	5
60 but less than 70	5	1

¹ Figures available for only 48 States in 1941 and 47 in 1942.

Provisions found in a few State laws would reduce benefit rights when the individual State reserves fall to a certain level. Obviously, such provisions would curtail the protection of the unemployment compensation system just when it is needed most to maintain both individuals and our whole economic system. If this country should be threatened with serious unemployment, assurance of substantial protection during unemployment would go a long way toward keeping fear and uncertainty from growing to panic proportion. It would make unnecessary the adoption of more drastic and less welcome measures.

Maximum Weekly Benefit Amounts

Weekly benefit amounts should, for the mass of wage earners, be large enough to compensate for a fair proportion of their loss in wages due to unemployment and be sufficient, without other public aid, for necessary cost of living throughout the period for which compensation is payable. The wartime increase in wages and employment and some liberalization in State laws have raised the level of weekly benefit amounts for total unemployment. The average rose from \$10.66 in 1939 to \$13.84 in 1943 and \$15.87 in the second quarter of 1944. Because of overtime work and bonus payments during the war period, many workers, in States which base benefits on high-quarter earnings, will receive 50 percent or

more of their weekly earnings in the form of benefits in the reconversion period.

However, this will not be true for many other workers. In States which base benefits on annual earnings and in States where the maximum benefit amount has not been increased with the increase in weekly wages, many workers still receive far less than 50 percent of their weekly wages. Basing benefits on annual earnings instead of earnings in the high quarter has resulted in a decreased average benefit amount in practically every State that has made such a change. This is because most workers are employed not 52 weeks a year, but something less than that, even in a period of full employment. Annual wages therefore inevitably include some periods of unemployment, and benefits based on such earnings are consequently lowered. In addition, benefits based on annual earnings bear little relationship to the weekly wage loss of a totally unemployed worker. It is significant that the three States that paid the lowest average weekly benefit amounts in 1943 (Maine \$9.09, Kentucky \$9.31, and North Carolina \$7.10) base benefits on annual wages. While any annual wage formula can be adjusted to increase weekly benefit amounts, this may only distort further the basic relationships between benefits and weekly wages and may result in some persons' receiving more in benefits than in weekly wages. Certainly the benefits provided under the law should not act as an incentive to workers to prefer benefits to wages.

But more significant in the reconversion period will be the effect of low maximum weekly benefit provisions in the State laws. The major purpose of establishing maximum weekly benefit amounts in a social insurance system is to husband the limited resources of the system. Current maximums, however, reduce the rights of too high a proportion of all workers. Even in States where benefits are not related to previous annual earnings but to high-quarter wages or to full-time weekly wages, benefit amounts for many workers are less than half their weekly wages, because of these low maximum benefit provisions. While the level of maximum benefit amounts has been

raised in many States, 22 States still provide that no benefit for total unemployment can be more than \$15 a week.

Maximum weekly benefit amount	Number of States, 1943
\$15	22
16	4
18	14
20	10
22	1

In 1943, 44 percent of all benefit payments for total unemployment were at the maximum specified in the laws. In nine States, more than 60 percent of the weekly payments were at the maximum. All four States paying 72-85 percent, at the maximum, specified a maximum of \$15. Certainly when such a large proportion of payments is at the maximum specified in the State law, benefits are not being related to previous wages but are, in effect, uniform weekly benefit amounts.

Percent of weekly payments at maximum, 1943	Number of States ¹
Less than 30	7
30-39	11
40-49	7
50-59	6
60-69	5
70 or more	4

¹ Excludes 11 States where the maximum weekly benefit amount was changed during the year.

It is clear that, for most of the workers receiving the maximum, benefits are far less than 50 percent of previous earnings. Estimates that have been made indicate that, on the average, workers eligible for the maximum benefit amount in State laws are receiving only about 25-30 percent of previous earnings; for some of the higher-paid workers the percentage would be nearer 15-20 percent. Benefits at these rates obviously constitute meager compensation for wage loss suffered and run the danger of being too low to carry the individual through his periods of unemployment without drawing on other community resources.

With benefits fixed as a percentage of wages, the maximum weekly benefit amount might well be raised to \$25. In all, there are 34 States which provide higher maximum benefits for workmen's compensation than for unemployment compensation. While the "G. I. Bill" provides a \$20 benefit to all unemployed veterans, this is a uniform benefit paid to all unemployed veterans. Under unemployment compensation laws, which relate benefits to past earnings, even a

\$25 maximum will give many workers less than the \$20 benefit provided for veterans. Raising the unemployment compensation maximum to \$25 will not lead to high benefits in low-wage States. If workers do not receive wages which enable them to qualify for this higher benefit, they will not receive it. But in high-wage States, raising the maximum will mean that the benefits for workers earning higher wages bear the same relation to their wages as do the benefits of lower-paid workers. A higher maximum will also be a recognition of the increased cost of living (particularly for the family man, who is generally the best wage earner) and will give much greater assurance that the unemployment benefit will be sufficient to enable him to get along without drawing on other community resources until opportunity comes for reemployment. Furthermore, as long as benefits are related to past earnings and are lower than wages, there will continue to be an effective differential between wages and benefits.

It has been said that maximum benefit amounts provide a means of adjusting State benefit scales to State wage levels. Yet the existing maximum benefit provisions are not at present uniformly related to State

Estimated average weekly wages —3d quarter, 1943 ¹	Number of State laws with maximum weekly benefit amounts of—				
	\$15	\$16	\$18	\$20	\$22
\$20.00-24.99	2				
25.00-29.99	6		1		
30.00-34.99	7	1	3		
35.00-39.99	4	1	5	5	
40.00-44.99	1		4	3	
45.00-49.99	2	1	1	1	1
50 or more		1		1	

¹ Average quarterly earnings computed by dividing total earnings of covered workers by estimated number of workers employed at end of 3d quarter of 1943; average weekly earnings computed as $\frac{1}{4}$ of a average quarterly earnings.

wage levels. Maximum benefits are higher in Georgia and Louisiana than in Ohio and Oregon. During the third quarter of 1943, average weekly wages in covered employment in Connecticut were lower than in California, Michigan, and Alaska, yet Connecticut's maximum weekly benefit amount of \$22 is the highest in the country. Among the 22 States still providing a \$15 maximum, average weekly wages during the third quarter of 1943 ranged from \$24.12 in South Carolina to \$46.96 in Oregon.

Certainly the \$15 benefits provided did not reflect similar economic conditions. Of the 16 States with average weekly wages above \$40 in the third quarter of 1943, three have maximum benefit amounts of \$15; two, \$16; five, \$18; five, \$20; and one, \$22.

Disqualifications

Under unemployment compensation, benefits should be payable only to genuinely unemployed workers in the labor market. All unemployment compensation laws impose certain disqualifications designed to ensure that objective. Thus, disqualifications are imposed when a worker quits his job voluntarily without good cause, when he is discharged for misconduct connected with his work, when he is engaged directly in a labor dispute, or when he refuses to accept suitable work. Recent amendments to many State laws, however, have shifted the emphasis from paying benefits to workers unemployed through no fault of their own to paying benefits only when the employer is responsible for their unemployment. Emphasis has also shifted from postponing benefits for a certain number of weeks following the workers' disqualifying acts to penalizing workers by canceling their benefit rights. Finally, a whole host of special causes of disqualifications have been written into State statutes. It is necessary that the basic principles be restored.

Good cause for voluntarily leaving a job should not be limited to causes attributable to the employer but should include good personal causes. As long as the unemployment is involuntary and the worker is available for work, good personal or family reasons for quitting a job, such as the fact that the conditions are such as to undermine his health, are as valid as reasons attributable to employers.

Workers should be disqualified for benefits merely by suspension of their rights for a reasonable period following a disqualifying act. In January 1938, eight State laws contained disqualifications which canceled part or all benefit rights, and the remaining States contained disqualifications which resulted only in postponement of benefit rights. The reasoning behind postponement of benefits was that the claimant should not be entitled to benefits during any period

when his unemployment was directly due to a disqualifying act. After that period, his unemployment would be due not to his disqualifying act but to labor-market conditions, and it would therefore be compensable. Such suspensions are sufficient to deter workers from voluntarily becoming unemployed and to bar compensation for voluntary unemployment. By 1944, however, 19 additional States had included disqualifications which cancel part or all of a worker's benefit rights.

Disqualifying act	Number of State laws reducing or canceling benefit rights for 3 major reasons		
	January 1938	January 1940	January 1944
Total State laws with 1 or more types of disqualifications	8	14	27
Voluntary leaving without good cause	5	10	20
Discharge for misconduct	6	12	20
Refusal of suitable work	6	9	21

Under this philosophy a worker who has committed a disqualifying act is not only deprived of benefits for the period following his act but is further penalized by losing some or all of his benefit rights. If he should become unemployed in the future he may find that, though otherwise eligible for benefits, he has little or no benefit rights on which to draw. Such disqualifications may nullify duration provisions; they will be particularly serious in the post-war period, since cancellation of benefit rights for current disqualifying acts may result in curtailment of benefit rights later when workers are unemployed through no fault of their own. Such curtailment seriously limits the usefulness of unemployment compensation, particularly for such a period as the one we are facing.

The seriousness of this situation is shown by some figures on the extent of disqualifications. During 1943, for example, 28 percent of new claims allowed in Colorado were disqualified because of voluntary leaving, discharge for misconduct, and refusal of suitable work. The disqualifications in the Colorado law provide that any worker disqualified for any of these reasons shall have his benefit rights reduced by 3 to as much as 15 weeks; yet duration of benefits under the

Colorado law is equal to only one-third of the individual's base-year wages or 16 weeks, whichever is less. If disqualifications of 15 weeks were imposed under this law, the benefits would be payable for only 1 week. This is not an isolated example. Georgia disqualified 11.6 percent of its allowed new claims in 1943 and provides a mandatory reduction of 2-8 weeks for voluntary leaving and refusal of suitable work and of 3-10 weeks for discharge for misconduct. Disqualification for a single act can thus cut down Georgia's 16 weeks' uniform duration of benefits to as few as 6 weeks.

State	Percent of allowed new claims disqualified, 1943, because of—			
	All 3 issues	Voluntary leaving	Discharge for misconduct	Refusal of suitable work
California	13.0	2.6	0.2	10.2
Colorado	28.4	18.9	1.1	8.4
Georgia	11.6	8.9	2.7	(¹)
Maine	7.3	3.2	1.3	2.8
Mississippi	17.0	(²)	(²)	(²)
Nebraska	7.4	8.1	.7	1.6
New York	0.6	2.9	.2	0.8
Washington	37.3	(²)	(²)	(²)
Wyoming	18.8	11.6	1.4	5.8

¹ Includes only disqualifications for voluntary leaving and discharge for misconduct.

² Data not available.

³ Includes disqualifications for other issues.

Special causes of disqualifications, such as disqualifications of women who leave to marry, or because of pregnancy, which have been written into many State statutes should be removed and such cases handled by administrative action which appraises the circumstances surrounding the individual case in order to determine whether the individual is involuntarily unemployed and available for work. While the removal of such disqualifications from the statutes will increase administrative burdens, it will eliminate the inequitable treatment that now exists and restore the function of compensating for bona fide unemployment.

Effect of Interstate Competition for Reduced Rates

The accumulated \$5.6 billion available in the unemployment trust fund on July 31, 1944, and the general agreement that the State funds are financially able to withstand the

drains of the immediate post-war period should provide a green light for the necessary expansions in the program. However, 44 State laws now contain provisions for experience rating, and in 42 of them large groups of employers are receiving tax reductions under such plans. These reduced contribution rates have brought about interstate competition for lowering contribution rates still further. It is important that concern over the impact which a more liberal benefit formula will have upon the reduced rates assigned employers be prevented from acting as a brake upon necessary expansions in the program.

The 3 percent Federal unemployment tax was imposed to stimulate the passage of State unemployment compensation laws, to raise money for the administration of those laws, and to ensure that the tax on employers would be noncompetitive among the States. Freedom from competitive rates was assured by the combination of a tax on pay rolls at a uniform rate with tax-offset provisions which were uniform in application during the initial years. The approach was effective during the infancy of the program. So long as the rates imposed under the State laws were uniform, there was every reason for the States to extend and improve the benefit structure of the laws within the limits of available revenue.

With the increased allowance of reduced rates which are directly related to the amount of benefits paid, however, a split has occurred in the purposes of the program: employers weigh the implications of an expansion of benefits, not against the purposes that the unemployment compensation program is designed to serve, but against the effects of any benefit liberalization on reduced contribution rates. As the reduced rates have taken effect in one State after another, there has been an increase in the severity of disqualifications imposed, since employers look on benefit payments from the point of view of benefit charges to their accounts.

At the same time, the experience-rating provisions of State laws have been liberalized to make it easier for employers to qualify for tax reduction. In State after State, 2.7 per-

cent (the amount of the Federal credit) has become the maximum contribution rate. The standards necessary for the attainment of reduced rates are lowered. The employers in State A work to secure as low a tax rate as their competitors in State B. Competition for rate reduction between States flourishes.

The effect of this competition on the finances of the State systems is not as yet fully evident. Not until 1942 was any considerable proportion of the total covered pay roll of the country in States with effective experience-rating provisions. Even in that year, 41 percent of the total pay roll was found in States which still imposed a flat 2.7 tax rate. Because of the expansion in pay rolls during 1942, 1943, and 1944, contribution collections have increased in spite of a decline in the over-all rate at which they were collected. At the same time, benefits during the war years have declined until the amount paid out in any year is almost negligible in relation to the amount collected. While 61 percent of the amount collected was paid out in benefits in 1940, this figure was 6 percent in 1943.

Year	Ratio of benefits to contributions (percent)
1938 ¹	74
1939 ²	55
1940	61
1941	34
1942	30
1943	6

¹ 23 States paying benefits January 1938.

² 49 States; excludes Illinois and Montana, since benefits first payable July 1939.

This extremely favorable financial picture offers the best opportunity for the unemployment compensation system to play its proper part in an orderly transition to peacetime employment. Business would be shortsighted indeed to prefer the short-run advantages of tax reduction (which in any event will be limited within a narrow range below 3 percent of pay rolls) to the security which a reasonably adequate program of unemployment compensation can afford to free private enterprise. To permit interstate competition for reduced rates to block the full utilization of the program will be to hazard the total economic welfare of the country for a temporary financial advantage to one segment of our industrial economy.

Experience-Rating Operations in 1943*

THE ESTIMATED average contribution rate of employers in States with experience-rating plans in operation in 1943 was about the same as in 1942—1.8 percent.¹ Tax rates were modified during part or all of 1943 in 40 States,² 6 more than in 1942 and 23 more than in 1941. Introduction of experience rating in these additional States contributed to the decline in the national average employer tax rate from 2.58 percent in 1941 to 2.18 percent in 1942 and to an estimated 2 percent in 1943.³

While the unprecedented wartime rise in pay rolls brought State tax collections to an all-time high of \$1.3 billion in 1943, ordinary experience-rating provisions in State laws reduced employer contributions by an estimated \$416 million, bringing the total reduction for the past 3 years to about \$740 million. The \$416 million represents a relative reduction in employer contributions of approximately one-fourth of the amount collectible at the standard rate. The total amount of revenue lost through experience rating in 1943 was equal to about four-fifths of the amount of benefits paid in 1940, the year of highest benefit payments. The loss amounted to about 7.5 percent of total funds available for benefits at the end of June 1944. For the 40 experience-rating States, employer contributions were reduced by an estimated 36 percent; comparable revenue reductions were 20 percent in 17 States during 1941 and 34 percent in 34 States during 1942.

During 1944, employers in 2 addi-

* Prepared in Program Division, Bureau of Employment Security.

¹ This and the following figures do not include the effects of special war-risk provisions which raised additional revenue during 1943 in 9 States (Alabama, Florida, Illinois, Iowa, Maryland, Minnesota, Missouri, Oklahoma, Wisconsin). Additional collections from a "post-war reserve" tax of 0.5 percent in Wisconsin are also excluded. Ohio's war-risk provisions were not in effect in 1943.

For previous years' data on the operation of experience rating, see the *Bulletin*, October 1941, pp. 25-28; June 1942, pp. 12-24; February 1943, pp. 9-21.

² Experience-rating provisions did not become effective until July 1, 1943, in 4 States—District of Columbia, Idaho, Maine, and Maryland.

³ Final figures may increase the 1943 average slightly.

tional States—Pennsylvania and Tennessee—have modified rates for the first time. Preliminary estimates indicate that the national average employer tax rate for 1944 may decline to 1.8 percent. In 1945, when employers become eligible for reduced rates in Louisiana and Nevada, experience-rating plans will be in effect in all 44 States⁴ which now have such provisions in their laws.

Two-thirds of the active employer accounts in experience-rating States were eligible for rate modification in 1943, about the same proportion as in 1942. Reduced contribution rates were assigned to three-fourths of all rated accounts in 1943, as compared with approximately two-thirds in 1942. Rates above the standard⁵ were received by 5.3 percent of all rated accounts in 1943, in contrast to 8.5 percent in 1942.

Three experience-rating States collected employee contributions during 1943. Only Alabama, however, modified employee contribution rates. Such modifications reduced the State's revenue by an estimated \$4.0 million, or 60 percent of the amount which would have been collected at the standard employee rate of 1 percent. Since California and New Jersey collected contributions from workers at the standard rate, the reduction

⁴ Louisiana included experience-rating provisions in its law in July 1944. The plan is of the reserve-ratio type and rate reductions become effective October 1, 1945.

⁵ The standard rate is 2.7 percent in all States except Michigan, where it is 3.0 percent.

in revenue from employees in the 3 States combined is estimated to be only 5 percent.

Contributions for 1943 from employers and employees in the 40 experience-rating States are estimated at 1.9 percent of total taxable pay rolls in those States. Modification of employer and employee rates reduced contributions by an estimated \$420 million, or by approximately 34 percent of the amount which would have been collected at the standard employer and employee rates.

State	Estimated 1943 average contribution rate		Estimated contributions ¹ (in thousands)	Estimated reduction in revenue (in thousands)
	At average rate	At standard rate ²		
Employer and employee				
Total, 40 States	1.9	\$829,000	\$1,248,778	\$419,068,34
Employer				
Total, 40 States	1.8	\$747,316	\$1,163,083	\$415,767,36
Employee				
Total, 3 States	1.0	\$81,774	\$85,695	\$3,921,5
Alabama	.4	2,614	6,535	3,921,60
California	1.0	51,479	51,479	0
New Jersey	1.0	27,681	27,681	0

¹ Contributions based on estimated 1943 taxable wages.

² Standard rate is 2.7 percent in all States except Michigan, where it is 3.0 percent.

War-Risk Provisions

The figures on estimated average employer contribution rates and reduction in revenue in 1943 measure only the effects of ordinary experience-rating operations. They do not

Table 1.—Effect of experience rating¹ on employer contributions in States with experience rating, 1941-43²

Year	Number of States	Taxable pay roll (in millions)	Average employer contribution rate	Employer contributions (in millions)		Reduction in revenue		
				At average rate	At standard rate	Amount (in millions)	As percent of contributions at standard rate in—	
							States with experience rating	All States
1941	17	\$10,137	2.17	\$221	\$274	\$54	20	5
1942	34	29,197	1.81	532	797	269	34	20
1943	40	42,638	1.8	747	1,163	416	36	20

¹ Reflects only effect of ordinary experience-rating provisions; does not include effects of special war-risk provision.

² Data for 1943 estimated.

Table 2.—Significant experience-rating provisions of unemployment compensation laws, 44 States, as of August 1, 1944

State	Type of fund ¹	Effective date	Index of "experience with unemployment risk"	Employers charged for compensable unemployment	Method of computing employer's contribution rate	Rate schedule			War-risk contribution provision effective ²
						Maximum rate in percent	Minimum rate in percent	Number of rate classes	
Alabama	P	April 1941	Ratio of benefit wages to pay roll.	All base-period employers proportionately.	Benefit wage ratio correlated with State experience factor.	2.7	0.5	6	Apr. 1, 1943-Mar. 31, 1940.
Arizona	P	January 1942	Reserve ratio.	do	Schedule of reserve ratios.	3.6	1.0	4	
Arkansas	P	April 1942	do	Base-period employers in inverse order.	do	2.7	1.0	3	
California	P	January 1941	do	All base-period employers proportionately.	do	2.7	1.0	5	
Colorado	P	January 1942	do	Base-period employers in inverse order.	do	3.6	.9	4	
Connecticut	P	April 1941	Ratio of pay roll to weekly benefit amounts.	Employers in 8 weeks preceding compensable unemployment.	Schedule of compensable separation ratio classes each containing an equal amount of pay roll.	2.7	1.5	13	
Delaware	P	January 1942	Ratio of benefit wages to pay roll.	All base-period employers proportionately.	Schedule of benefit wage ratio correlated with State experience factor.	3.0	.5	7	
District of Columbia	P	July 1943	Reserve ratio.	do	Schedule of reserve ratios.	2.7	.1	6	
Florida	P	January 1942	Ratio of benefits to pay roll.	All base-period employers, who paid workers \$15 or more, proportionately.	Schedule of benefit ratios.	2.7	1.7	3	July 1, 1943. ³
Georgia	P	do	Reserve ratio.	All base-period employers proportionately.	Schedule of reserve ratios.	2.7	1.0	6	
Hawaii	P	April 1941	do	do	do	2.7	0	7	
Idaho	P	July 1943	do	Most recent base-period employer. ⁴	do	2.7	1.5	4	
Illinois	P	January 1943	Ratio of benefit wages to pay roll.	All base-period employers proportionately.	Schedule of benefit wage ratio correlated with State experience factor.	3.6	.5	8	July 1, 1943-Dec. 31, 1945.
Indiana	C	January 1940	Reserve ratio.	Base-period employers in inverse order, proportionately.	Schedule of reserve ratios.	2.7	.125	4	
Iowa	P	January 1942	do	Base-period employers in inverse order.	do	3.6	.9	4	July 1, 1943-Dec. 31, 1945.
Kansas	P	January 1941	do	All base-period employers proportionately.	do	2.7	.9	3	
Kentucky	E	do	do	do	do	2.7	0	3	
Louisiana	P	October 1945	do	do	do	2.7	.9	7	
Maine	P	July 1943	do	Base-period employers in inverse order, proportionately.	do	2.7	1.5	5	
Maryland	P	do	Ratio of benefits to pay roll.	Principal base-period employer.	do	2.7	.9	7	July 1, 1943, and thereafter.
Massachusetts	P	January 1942	Ratio of benefit wages to pay roll.	All base-period employers proportionately.	Schedule of benefit wage ratio correlated with State experience factor.	2.7	.5	6	
Michigan	P	do	Ratio of benefits to pay roll.	All base-period employers, who paid workers \$50 or more, proportionately.	Schedule of benefit ratios.	4.0	1.0	12	
Minnesota	P	January 1941	do	All base-period employers proportionately.	Schedule of benefit ratio classes each containing an equal amount of pay roll.	3.25	.5	7-11	Jan. 1, 1943-June 30, 1945.

See footnotes on next page.

include the effects on rates and on revenue of the special war-risk provisions, under which nine States collected additional contributions in 1943.⁵ The resulting additional revenue on 1943 wages is estimated at slightly more than \$30 million, or an increase, for those States, of somewhat less than 20 percent. In individual States, employer contributions were increased from about 5 to 50 percent. For the country as a whole, the war-risk provisions increased contributions by about 2.5 percent. The following discussion and tables do not include the effects of war-risk provisions in 1943.

¹See footnote 1. For discussion of war-risk contribution provisions, see the *Bulletin*, May 1944, pp. 2-8.

Effects of the War on Experience Rating

The war has had conflicting effects on experience rating. In some States, expanding pay rolls and declining benefit expenditures have resulted in sharp rate reductions. In others, expanded pay rolls used in computing reserve ratios have overcompensated the drop in benefit payments and have caused higher rates. Some small firms have grown suddenly to huge proportions but have continued to pay taxes at low rates assigned on the basis of their pre-war experience. On the other hand, new firms have been created in response to wartime demands, and their large pay rolls have been taxed at the standard rate, since they were ineligible for rate re-

ductions because of insufficient "experience with the risk of unemployment."

As in 1942, Delaware was the only State with an estimated average contribution rate below 1 percent. In 9 States, the average was between 1.0 and 1.5 percent; in 14 States, between 1.6 and 2.0 percent; and in 14 additional States between 2.1 and 2.5 percent (table 3). The 2 remaining States—Idaho and North Carolina—modified rates for the first time in 1943 and had average rates of 2.6 percent. The District of Columbia, Idaho, Maine, and Maryland first modified employer contribution rates on July 1, 1943. Average 1943 rates for these States, therefore, are somewhat higher than they would have

Table 2.—Significant experience-rating provisions of unemployment compensation laws, 44 States, as of August 1, 1944—Continued

State	Type of fund ¹	Effective date	Index of "experience with unemployment risk"	Employers charged for compensable unemployment	Method of computing employer's contribution rate	Rate schedule			War-risk contribution provision effective ²
						Maximum rate in percent	Minimum rate in percent	Number of rate classes	
Missouri	P	January 1942	Reserve ratio	Most recent employer in inverse order.	Schedule of reserve ratios	4.1	0	5	July 1, 1943-June 30, 1945.
Nebraska	E	January 1940	Reserve ratio ³	Base-period employers in inverse order.	Schedule of reserve ratios ⁴	2.7	4.5	6	
Nevada	P	January 1945	Not specified	Not specified	Not specified	(4)	1.0	(4)	
New Hampshire	P	January 1941	Reserve ratio	Most recent employer.	Schedule of reserve ratios	2.7	.5	8	
New Jersey	P	January 1942	do	All base-period employers proportionately.	do	3.6	.9	4	
New Mexico	P	do	do	do	do	3.6	.9	4	
North Carolina	C	January 1943	do	do	do	2.7	.27	8	
North Dakota	P	January 1942	do	do	do	2.7	1.0	3	
Ohio	P	do	do	Base-period employers in inverse order.	do	3.5	.7	13	Jan. 1, 1944-Dec. 31, 1945.
Oklahoma	P	do	do	All base-period employers proportionately.	Benefit wage ratio correlated with State experience factor.	2.7	.5	6	Jan. 1, 1943, and thereafter.
Oregon	P	July 1941	Reserve ratio	Base-period employers in inverse order. ⁴	Schedule of reserve ratios	4.0	1.0	7	
Pennsylvania	P	January 1944	Ratio of benefit wages to pay roll.	All base-period employers proportionately.	Benefit wage ratio correlated with State experience factor.	2.7	1.0	5	
South Carolina	P	January 1942	Reserve ratio	Most recent employer.	Schedule of reserve ratios	3.6	.9	4	
South Dakota	E	January 1940	Ratio of benefits to pay roll. ⁴	Base-period employers in inverse order.	Schedule of benefit ratios ⁴	2.7	0	6	
Tennessee	P	July 1944	Reserve ratio	All base-period employers proportionately.	Schedule of reserve ratios	3.3	1.0	9	
Texas	P	January 1941	Ratio of benefit wages to pay roll.	do	Benefit wage ratio correlated with State experience factor.	2.7	.5	6	
Vermont	P	do	Ratio of benefits to pay roll. ⁴	Most recent base-period employer.	Schedule of benefit ratios ⁴	2.7	1.5	4	
Virginia	P	do	Ratio of benefit wages to pay roll.	All base-period employers proportionately.	Benefit wage ratio correlated with State experience factor.	2.7	1.0	5	
West Virginia	P	do	Reserve ratio	do	Schedule of reserve ratios	2.7	.9	6	
Wisconsin	E	January 1938	do	Most recent employer in inverse order.	do	4.0	0	6	July 1, 1943-Dec. 31, 1945. ⁴
Wyoming	P	January 1942	Ratio of benefits to pay roll.	All base-period employers proportionately.	Schedule of benefit ratios	3.5	.5	7	

¹ As used in this column, "P" indicates a pooled fund, "C" a combined pooled and employer reserve, and "E" an employer-reserve type.

² See Friedman, Gladys R., "War-Risk Contribution Provisions in State Laws," *Social Security Bulletin*, Vol. 7, No. 5 (May 1944), pp. 2-8.

³ Whenever State-wide reserve fund as of the end of any calendar quarter does not exceed \$65 per insured worker.

⁴ By regulation.

⁵ 3.7 percent effective 1945 and thereafter.

⁶ No provision.

⁷ Not specified.

⁸ If balance in fund as of January 1 of any calendar year is less than benefits paid out during 2 preceding calendar years, rates increased 0.5 percent.

⁹ 4 percent effective 1945 and thereafter.

¹⁰ War-risk contribution provision will cease to be effective on the earlier of the 2 following dates: Dec. 31, 1945, or the close of the 3d month following the 1st calendar quarter for which the total of all taxable pay rolls is less than \$200 million as determined by the commission and published in an official State paper.

been if reductions had been in effect throughout the year. The average rate for the District of Columbia for the second half of 1943 was 0.4 percent compared with an average of 1.5 percent for the year. The corresponding rates in Idaho were 2.5 and 2.6 percent; in Maine, 2.3 and 2.5 percent; and in Maryland, 1.6 and 2.1 percent.

Experience during 1942 in Hawaii and South Dakota furnishes examples of the operation of experience rating in a total war economy. In both States, average contribution rates were strongly affected by newly subject employers engaged in war work who were not eligible for rate reductions and paid contributions on large pay rolls at the standard 2.7-percent rate. In Hawaii, it was estimated that more than 40 percent of all 1942 taxable pay roll was concentrated in three large newly subject

firms engaged in war construction, which contributed at the standard 2.7-percent rate and accounted for more than 75 percent of all contributions in the Territory in that year. Undoubtedly, Hawaii's average rate would have been substantially lower were it not for the influence of these newly subject employers.

A similar condition prevailed in South Dakota in 1942. Taxable wages during the first 9 months of 1942 totaled \$41 million, \$10 million more than in the corresponding period of 1941. About \$7 million of this increase represented pay rolls of newly subject employers engaged in governmental construction activities, who contributed at the standard 2.7-percent rate. But for the contributions and pay rolls of such employers, the average State-wide rate in 1942 would have been an estimated 1.28 percent instead of 1.6 percent.

It is not likely, however, that these circumstances will continue, since many of the new firms were engaged primarily in construction of military cantonments, barracks, and war plants and the demand for this type of activity has largely been filled. In South Dakota, taxable wages attributable to building construction decreased 82 percent between 1942 and 1943, and, at the same time, the average State-wide contribution rate declined from 1.6 to 1.2 percent. In addition, as the war continues, these "new" firms accumulate sufficient experience to become eligible for rate reductions.

In Nebraska and Wisconsin, the upward trend in average rates was due to the combined effect of rising pay rolls and the type of reserve-ratio formula used in assigning modified rates. Nebraska's method of assigning modified rates for 1943 used the

ratio of an employer's reserve balance at the beginning of 1943, less the highest annual amount of benefits paid during any calendar year from 1940 through 1942, to whichever is the higher of (1) the employer's average annual pay roll for the 3 years or (2) the 1942 annual pay roll. The Wisconsin law likewise provides for the use of an alternative "reserve percentage divisor," in determining employers' tax rates. In Wisconsin, an employer's reserve percentage is

based on the ratio of his reserve balance to the highest of the following amounts: (1) his pay roll for the year ending on the computation date or (2) his average annual pay roll for the 3 years ending on such date or (3) 60 percent of his largest pay roll for any 1 of those 3 years. Thus, during a period of rising pay rolls such as 1940-42, the use of this type of provision for an alternative "reserve percentage divisor" results in a lower reserve-ratio and higher contribu-

tion rate for an employer than he would have in a period of stable or declining pay rolls.

Accounts Eligible for Rate Modification

Of nearly 500,000 active accounts in the 40 States with experience-rating provisions in effect, 248,000 or almost half received reduced rates. The standard rate was assigned to approximately 233,000 or 47 percent of the active accounts; 72 percent of

Table 3.—Selected experience-rating data, 1941-1943

[Corrected to June 19, 1944]

State	Percent of rated accounts with reduced rates			Average employer contribution rate ¹			Reduction in revenue ^{1,2}						
	1941 (17 States)	1942 (34 States)	1943 (40 States)	1941 (17 States)	1942 (34 States)	1943 (40 States)	1941 (17 States)	1942 (34 States)	1943 (40 States)	Amount (in thousands)		Percent	
										1941 (17 States)	1942 (34 States)	1943 (40 States)	
Total	54.9	67.4	74.7	2.17	1.81	1.8	\$54,123	\$268,668	\$415,767	20	34	36	
Alabama	79.4	87.1	95.2	2.08	1.59	1.2	4,255	46,702	49,803	23	41	56	
Arizona	42.7	55.7	-----	-----	2.51	2.3	-----	208	717	7	15	-----	
Arkansas	51.5	70.4	-----	-----	2.47	2.2	-----	603	1,242	0	19	-----	
California	28.0	29.6	37.0	2.48	2.45	2.3	5,912	9,785	20,562	8	9	15	
Colorado ³	67.9	72.1	-----	1.98	2.0	-----	-----	2,195	2,062	-----	26	26	
Connecticut	88.3	84.8	85.5	2.29	2.09	2.1	4,078	8,120	9,009	15	23	22	
Delaware	95.2	96.8	-----	0.98	0	-----	-----	2,400	3,003	64	67	-----	
District of Columbia	-----	-----	90.0	-----	-----	1.6	-----	3,579	-----	44	-----	-----	
Florida	68.5	70.9	-----	2.27	2.2	-----	-----	1,797	2,873	16	19	-----	
Georgia	80.3	80.4	-----	2.07	2.1	-----	-----	3,423	4,060	23	22	-----	
Hawaii	70.3	97.5	97.6	1.65	1.54	1.7	1,179	2,035	1,567	39	43	37	
Idaho	-----	65.6	-----	-----	2.6	-----	-----	118	-----	4	-----	-----	
Illinois	-----	80.2	-----	-----	1.3	-----	-----	-----	62,047	52	-----	-----	
Indiana ⁴	36.6	57.4	66.0	2.29	1.91	1.9	4,733	11,899	14,977	15	20	30	
Iowa	65.9	72.6	-----	1.85	1.9	-----	-----	3,535	3,535	31	30	-----	
Kansas	49.1	42.3	72.0	2.07	2.20	2.0	1,433	2,066	3,799	23	19	26	
Kentucky ⁵	16.4	36.6	72.7	2.68	2.32	2.2	473	1,731	2,625	1	14	19	
Maine	-----	-----	78.2	-----	-----	2.5	-----	748	-----	7	-----	-----	
Maryland	784.5	-----	-----	-----	2.1	-----	-----	-----	6,914	22	-----	-----	
Massachusetts	75.1	79.5	-----	1.52	1.2	-----	-----	25,630	37,118	44	56	-----	
Michigan ⁶	-----	88.9	-----	1.69	1.6	-----	-----	39,338	55,337	44	47	-----	
Minnesota	59.6	57.3	77.3	2.03	1.95	1.7	3,489	5,116	8,124	24	28	37	
Missouri ⁷	81.5	81.6	-----	1.51	1.6	-----	-----	12,996	13,797	44	41	-----	
Nebraska	51.8	63.6	66.6	1.38	1.56	2.0	1,795	2,412	1,783	49	42	26	
New Hampshire	46.5	61.2	66.9	2.54	2.38	2.3	235	529	681	6	12	15	
New Jersey	70.5	68.1	-----	1.64	1.9	-----	-----	24,679	22,144	39	30	-----	
New Mexico	58.0	60.6	-----	2.17	2.2	-----	-----	409	421	19	19	-----	
North Carolina	-----	-----	24.6	-----	2.6	-----	-----	756	756	4	-----	-----	
North Dakota	67.7	74.7	-----	1.93	1.8	-----	-----	273	358	28	33	-----	
Ohio ⁸	90.2	92.7	-----	1.25	1.4	-----	-----	51,812	57,609	54	48	-----	
Oklahoma	75.3	80.1	-----	1.69	1.5	-----	-----	3,866	5,760	37	44	-----	
Oregon	33.7	45.3	60.7	2.65	2.41	2.3	165	1,591	2,947	2	11	15	
South Carolina	68.0	75.7	-----	1.98	1.8	-----	-----	2,254	3,026	27	33	-----	
South Dakota ⁹	36.3	59.1	72.4	1.65	1.57	1.2	450	639	801	39	42	56	
Texas	80.7	87.0	94.1	1.60	1.56	1.4	11,224	16,023	23,144	41	42	48	
Vermont	34.8	50.5	54.0	2.46	2.10	2.3	177	336	308	0	22	15	
Virginia	90.0	88.4	92.6	1.75	1.59	1.5	5,272	8,232	8,715	35	41	44	
West Virginia	53.8	64.6	85.6	2.42	2.14	1.6	1,374	3,306	7,307	10	21	41	
Wisconsin ¹⁰	65.1	64.8	66.8	1.49	1.55	1.8	9,975	12,408	11,667	45	43	33	
Wyoming	39.2	65.6	-----	2.06	2.3	-----	-----	27	274	2	-----	15	

¹ Data for 1941 and 1942 represent actual employer contributions as a percent of taxable wages; 1943 data are preliminary estimates (1943 contribution rates weighted by the amount of 1942 pay roll of employers assigned specified 1943 rates); however, average rate for States with rates effective April 1 or July 1 adjusted to calendar-year basis. Estimates of average rate and revenue reduction for given year do not include effect of employee contributions or voluntary contributions from employers collected during that year. Effect of war-risk contribution provisions also excluded; estimates of average rate and revenue reduction for 1943 may be materially affected in States which provide for war-risk contributions. See footnote 3.

² Data for 1941 and 1942 represent the difference between yield at the standard rate and actual contributions collected; data for 1943 are based on estimated 1943 contribution rate and taxable pay roll. No allowance made for additional revenue collected under special war-risk provisions. See footnotes 3 and 8.

³ State law provides for war-risk contributions in 1943.

⁴ An additional loss of \$1.2 million in 1941 and \$2.8 million in 1942 occurred as result of reduction in average employee contribution rate from standard rate of 1.0 percent to 0.7 and 0.5 percent, respectively, in each of these 2 years. It is estimated that an additional loss of \$3.9 million will occur in 1943 as the result of reduction in employee rate from 1.0 to 0.4 percent.

⁵ State law permits voluntary contributions. See footnote 1.

⁶ Additional losses were sustained in 1941 and 1942 as the result of reductions in average employee contribution rates; the amounts lost, however, were insignificant in both years. Employee contributions were suspended July 1, 1942.

⁷ Estimated.

⁸ Standard rate is 2.7 percent in all States except Michigan, where it is 3.0 percent.

⁹ Law provides for war-risk contributions effective January 1944.

the accounts at the standard rate were ineligible for rate modification because they had insufficient "experience." Rates above the standard were assigned to 17,700 accounts, only 3.6 percent of all active accounts.

Although two-thirds of all active accounts in the 40 States were eligible for rate modification, the proportion ranged widely, from 35 percent in New Mexico to 88 percent in Wisconsin (table 4). In Maryland, with the second smallest proportion, more

than half of all active accounts were eligible for rate modification. The small percentage of employers eligible for rate modification in New Mexico is attributable to the extension of coverage on July 1, 1939, to employers having 2 or more workers or a pay roll of \$450 or more in a calendar quarter. Since to qualify for rate modification an employer's account must have been chargeable with benefits during the 36 months preceding the computation date (June 30), New

Mexico's newly covered employers of 2-3 workers could not have become eligible for modified rates for 1943.

Modification of Employers' Rates

The proportion of rated accounts with reduced rates for 1943 ranged from 25 percent in North Carolina to 98 percent in Hawaii. These wide variations result from State differences in the type of experience-rating provisions, the length of time during which rate modifications have been

Table 4.—Percentage distribution of active accounts eligible for rate modification, by employer contribution rate¹ for each type of plan and State, 40 States, 1943

Type of plan and State ²	Total number of active accounts ³	Number	Percent of all active accounts	Active accounts eligible for rate modification									
				Percentage distribution by employer contribution rate									
				All rates	Rate below standard ⁴				Standard rate ⁴	Rate above standard ⁴			
					0.0	0.1-0.9	1.0-1.8	1.9-2.6 ⁵		Total	2.75-3.6 ⁶	3.7-4.0	
Total, 40 States	498,553	331,897	66.6	100.0	1.8	27.8	32.2	13.0	74.8	19.9	5.3	4.7	0.6
Reserve-ratio plan													
Arizona	289,400	193,903	67.0	100.0	2.9	25.5	28.9	11.7	69.0	28.1	2.9	2.7	.2
Arkansas	4,096	2,715	66.3	100.0			33.1	22.6	55.7	30.5	13.8	13.8	
California	17,827	10,238	57.4	100.0			46.1	24.3	70.4	29.6			
Colorado	50,574	32,566	64.4	100.0			19.3	17.7	37.0	63.0			
District of Columbia	4,108	2,950	71.8	100.0		50.1	22.0			72.1	19.2	8.7	8.7
Idaho	15,941	10,136	63.6	100.0		86.3	2.9	8	90.0	10.0			
Illinois	8,703	4,866	55.8	100.0			58.1	22.3	80.4	19.6			
Indiana	4,528	2,746	60.6	100.0	42.9	34.0	17.2	3.5	97.6	2.4			
Iowa	7,322	4,392	60.0	100.0					65.6	34.4			
Kansas	11,227	9,284	82.7	100.0		46.2	19.8		66.0	34.0			
Kentucky	7,832	5,947	75.9	100.0		46.5	26.1		72.6	16.5	10.9	10.9	
Maine	3,748	2,289	68.8	100.0		40.9	31.1		72.0	28.0			
Massachusetts	8,680	4,453	51.6	100.0	9.1				63.6	27.3			
Michigan	3,420	2,486	72.7	100.0			52.3	25.9	78.2	21.8			
Minnesota	12,039	8,931	60.0	100.0	3.4	55.3	22.9		81.6	13.7	4.7	4.7	
Missouri	4,016	3,053	76.0	100.0		30.9	13.1	13.6	66.6	33.4			
New Hampshire	4,072	3,018	74.1	100.0			41.0	25.9	66.9	33.1			
New Jersey	18,802	12,416	66.0	100.0		40.1	28.1		68.2	23.5	8.3	8.3	
New Mexico	5,277	1,864	35.3	100.0		38.0	22.6		60.6	28.2	11.2	11.2	
North Carolina	7,945	6,348	79.9	100.0		2.2	1.5	2.9	24.6	75.4			
North Dakota	1,430	934	64.9	100.0			51.6	20.1	74.7	25.3			
Ohio	54,828	37,960	69.2	100.0		41.5	39.5	11.7	92.7	2.8	4.5	4.5	
Oregon	9,060	6,437	71.0	100.0			35.8	21.9	60.7	39.3	0	0	0
South Carolina	4,076	2,325	57.0	100.0		47.4	28.2		75.6	18.2	6.2	6.2	
West Virginia	4,521	2,809	62.1	100.0		43.6	32.4	9.6	85.6	14.4			
Wisconsin ⁷	13,432	11,750	87.5	100.0	31.1		35.7		66.8	26.5	6.7	3.1	3.6
Cliffe plan	122,247	80,078	65.5	100.0		37.8	34.1	12.6	84.5	8.8	6.7	6.1	.6
Alabama	6,146	3,560	57.9	100.0		43.8	42.1	9.3	95.2	4.8			
Delaware	5,162	3,700	71.7	100.0		75.1	16.9	4.8	96.8	0	3.2	1.6	1.6
Illinois ⁸	42,355	22,842	53.9	100.0		33.3	30.4	16.5	80.2	0	19.8	19.8	
Massachusetts	25,668	27,206	75.9	100.0		39.8	25.3	14.4	79.5	20.5			
Oklahoma	6,155	4,268	69.3	100.0		25.3	36.9	17.9	80.1	19.0			
Texas	17,717	12,398	70.0	100.0		51.6	36.1	6.4	94.1	1.0	10.5	10.5	10.3
Virginia	8,844	6,104	69.0	100.0			86.5	6.1	92.6	7.4			
Benefit-ratio plan	70,275	46,815	66.6	100.0		25.9	40.1	14.6	80.6	5.0	14.4	12.0	2.4
Florida	7,470	4,207	66.3	100.0			63.2	7.7	70.9	20.1			
Maryland	14,591	7,348	50.4	100.0	53.7		24.2	6.6	84.5	15.5			
Michigan	17,721	13,416	75.7	100.0			77.4	11.5	88.9	0	1.1	2.8	8.3
Minnesota	26,423	19,305	73.1	100.0		42.5	13.6	21.2	77.3	0	22.7	22.7	
Wyoming	4,070	2,539	62.4	100.0			51.1	14.5	65.6	0	34.4	34.4	
Combined reserve-ratio and benefit-ratio plan	3,506	2,689	76.7	100.0	12.3	20.8	26.2	4.8	64.1	35.9			
South Dakota	1,856	1,475	79.5	100.0	22.5	37.0	0.8	2.2	72.4	27.6			
Vermont	1,650	1,214	73.6	100.0			46.0	8.0	54.0	46.0			
Compensable-separations plan	13,125	8,412	64.1	100.0			44.5	41.0	85.5	14.5			
Connecticut	13,125	8,412	64.1	100.0			44.5	41.0	85.5	14.5			

¹ Assigned for rate years beginning in 1943, as of computation date of 1943 rates. Contribution rates are stated as a percent of taxable pay roll.

² States classified by type of plan in effect as of computation date of 1943 rates.

³ Represents all rated and unrated accounts; excludes accounts newly subject to computation as of 1943 rates.

⁴ Standard rate is 2.7 percent in all States except Michigan where it is 3.0 percent.

⁵ Includes accounts of employers assigned 2.8 percent rate in Michigan. See footnote 4.

⁶ Excludes accounts of employers assigned 2.8 percent rate in Michigan. See footnote 4.

⁷ Excludes 2,990 Maryland accounts assigned standard rate under war-risk provisions of State law.

⁸ Data for these States do not include effect of war-risk contribution provisions of State law.

⁹ Maximum rate reduced from 4.0 to 3.0 percent, effective Mar. 12, 1943.

¹⁰ Maximum rate reduced from 4.0 to 2.7 percent, effective July 1, 1943.

¹¹ Excludes accounts of employers assigned 2.8 percent rate in Michigan. See footnote 4.

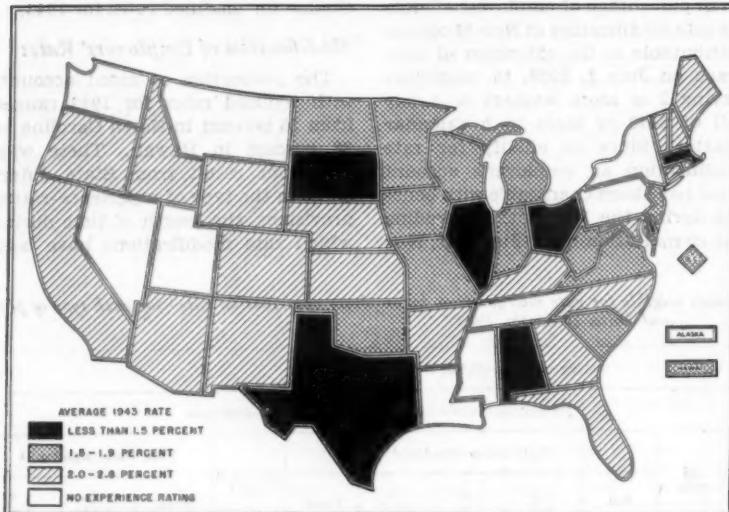
¹² Excludes 2,990 Maryland accounts assigned standard rate under war-risk provisions of State law.

¹³ Data for these States do not include effect of war-risk contribution provisions of State law.

¹⁴ Maximum rate reduced from 4.0 to 3.0 percent, effective Mar. 12, 1943.

¹⁵ Maximum rate reduced from 4.0 to 2.7 percent, effective July 1, 1943.

Chart 1.—Estimated average 1943 employer contribution rates under experience-rating provisions¹ of State unemployment compensation laws



¹ Does not include effect of special war-risk provisions.

in effect, benefit payment experience, and economic activity. The relatively small proportion of North Carolina employers eligible for reduced rates results from a provision in the State law which credits an employer's account with only a part of his contributions. In computing reserve ratios, no credit is given for contributions prior to 1938, and only 50 percent of 1938 contributions, 75 percent of 1939 contributions, and 90 percent of contributions in subsequent years are credited.

Under the Connecticut compensable-separations plan, 86 percent of rated employers obtained reduced rates in 1943. States with laws of the Cliffe-plan type reduced rates for about the same proportion. In each of the 7 States with this type of law, 80 percent or more of the rated accounts received rate reductions—in 4 of them, more than 90 percent. Under the benefit-ratio plan used in 5 States, reduced rates were assigned to 80 percent of the eligible employers and approximately two-thirds or more of the rated employers in each State received rate reductions. In the 25 States with reserve-ratio plans, only 69 percent of the rated employers obtained reduced rates; in 2 of these States, less than half the eligible employers obtained rate reductions, while in 15 additional States be-

tween half and three-fourths had reductions. Under the combined reserve-ratio and benefit-ratio plan used in 2 States,² 64 percent of all rated employers obtained reduced rates.

The Cliffe-plan type of experience-rating provision, which relates tax rates in any year to average benefit payments in the 3 immediately preceding years, is particularly sensitive to fluctuations in the volume of benefit payments. When unemployment and benefit payments increase, tax rates in States with such provisions may be expected to rise; when unemployment and benefit payments drop, a subsequent decline in average tax rates usually follows. The large proportion of eligible employers receiving reduced rates in 1943 in all States with Cliffe-plan type of experience rating illustrates the relative advantage of this type of plan to employers when benefit payments are at a low level. The defense program beginning in 1940 and the transition to a full-scale war economy in 1942 and

² South Dakota and Vermont use a reserve-ratio formula for determining an employer's eligibility for rate modification but assign reduced rates in accordance with an employer's ratio of benefit charges to pay roll. Eligibility for a zero rate in South Dakota, however, is based on a reserve-ratio requirement.

1943 resulted in a sharp decline in benefits and an increase in covered employment and pay rolls to unprecedented levels. As a result, average annual benefit expenditures in the 7 Cliffe-plan States combined, during the 3 years 1940-42, equaled only 1 percent of the corresponding average annual taxable pay roll during these years.

Likewise, eligible employers in States with benefit-ratio plans have a greater advantage than under reserve-ratio plans during periods of sharply declining benefit payments and rapidly increasing pay rolls. Under the benefit-ratio plan, an employer's experience with the risk of unemployment is measured directly in terms of his ratio of benefit charges to pay roll during 3 years. Low benefit charges and high pay rolls yield low benefit ratios and low tax rates.

Under reserve-ratio type of experience-rating plans, tax rates fluctuate less violently than under the Cliffe or benefit-ratio plans. There are two basic reasons for greater stability of tax rates under reserve-ratio plans. First, there is automatic counterbalancing of benefits and pay rolls in the reserve-ratio procedure. Under such plans, an employer's rate is modified on the basis of the ratio of his reserve account balance (i. e., excess of contributions over benefits) to his pay roll. High reserve ratios mean low tax rates; low reserve ratios, high tax rates. Other things being equal, declining benefit payments would give lower tax rates; similarly, increasing pay rolls would yield higher tax rates. Since declining benefit payments are usually accompanied by rising pay rolls, the two movements tend to offset one another and leave tax rates relatively unaffected. The same situation exists when the trends are reversed and rising benefit payments accompany declining pay rolls. In the other types of plans, declining benefit payments and rising pay rolls both have the effect of reducing tax rates; rising benefit payments and declining pay rolls both operate to increase tax rates.

The second reason for greater stability of tax rates under reserve-ratio plans is the difference in the length of the experience period on which rates are based. Most reserve-ratio formulas take account of an employer's full cumulative benefit and contribution

experience in modifying rates, whereas the Cliffe and benefit-ratio plans consider an employer's experience during only the 3 preceding years.

The 1942 taxable pay roll of the active accounts in the 40 States totaled \$34 billion; employers accounting for approximately 69 percent of this amount received 1943 rates below the standard, while those accounting for 29 percent of the ag-

gregate pay roll were taxed at the standard rate. Employers with rates above the standard accounted for only 2 percent of total taxable pay roll (table 5). In 32 of the 40 States, employers receiving reduced rates paid more than half of the 1942 State taxable wages. In 11 States, employers accounting for more than three-fourths of the State's 1942 taxable pay roll had rates below the standard

in 1943. The proportion of State-wide 1942 taxable pay roll attributable to employers with rate reductions in 1943 ranged widely—from 14 percent in North Carolina to 91 percent in Michigan, Ohio, and West Virginia. In 7 States, employers who accounted for more than half the State's total taxable pay roll in 1942 contributed at the standard rate in 1943.

In the 15 States which assigned

Table 5.—Amount and percentage distribution of 1942 taxable pay roll of 1943 active accounts by State and specified contribution rates for rate years beginning in 1943, 40 States

[Amounts in thousands]

Type of plan ¹ and State	1942 taxable pay roll														
	All rates		Amount at—			Percentage distribution									
	Amount	Percentage distribution	Rate below standard rate	Standard rate	Rate above standard rate	All rates	Rate below standard rate ²					Standard rate ³			
							0.0	0.1-0.9	1.0-1.8	1.9-2.6 ⁵	Total				
Total, 40 States	\$33,089,383	100.0	\$23,301,807	\$9,800,680	\$706,806	100.0	0.7	21.6	34.4	12.1	68.8	29.1	2.1	1.8	0.3
Reserve-ratio plan															
Arizona	19,135,892	56.3	11,675,687	7,271,074	189,131	100.0	1.2	16.8	32.9	10.1	61.0	33.0	1.0	.9	.1
Arkansas ⁶	152,938	.4	64,158	84,861	3,019	100.0			15.2	26.8	42.0	55.4	2.6	2.6	—
California	258,454	.8	110,282	148,172	—	100.0			21.7	21.0	42.7	57.3			
Colorado	3,863,000	11.5	1,616,600	2,246,400	—	100.0			19.9	21.9	41.8	58.2			
District of Columbia ⁷	305,418	.9	165,542	126,138	13,438	100.0		29.4	24.9	1.5	4	54.3	41.3	4.4	4.4
Georgia	287,678	.8	256,464	31,214	—	100.0		87.2	—	—	—	80.1	10.9		
Hawaii	534,130	1.6	350,428	183,702	—	100.0		37.2	26.4	65.6	34.4				
Idaho ⁸	174,984	.5	89,993	84,991	—	100.0	18.3	20.4	11.0	1.7	51.4	48.6			
Indiana	138,301	.4	50,429	87,872	—	100.0		—	—	—	36.5	36.5	63.5		
Iowa ⁹	1,527,195	4.5	766,285	760,910	—	100.0		23.7	26.5	—	—	50.2	49.8		
Kansas	416,472	1.2	261,454	143,131	11,887	100.0		31.7	31.0	—	—	62.7	34.4	2.9	2.9
Kentucky	401,997	1.2	220,085	190,912	—	100.0		19.8	33.7	—	—	53.5	46.5		
Maine ¹⁰	453,428	1.3	241,590	211,838	—	100.0	3.6	49.7	—	—	—	53.3	46.7		
Missouri ¹¹	301,492	.9	157,745	143,747	—	100.0		31.5	20.8	52.3	47.7				
Nebraska	931,428	2.7	672,596	238,394	20,438	100.0	.6	52.6	19.0	21.5	25.6	2.2	2.2		
New Hampshire	164,135	.5	101,489	62,646	—	100.0		23.1	9.3	17.7	50.1	49.9			
New Jersey	2,331,506	6.9	1,638,151	656,717	36,638	100.0		27.1	34.7	61.8	38.2				
New Mexico	70,944	.2	34,159	32,103	4,682	100.0		22.2	25.9	—	—	43.1	45.3	6.6	6.6
North Carolina	584,236	1.7	81,095	502,241	—	100.0		(4)	1.9	12.1	14.0	86.0			
North Dakota	36,571	.1	24,814	11,757	—	100.0		42.1	25.8	67.9	32.1				
Ohio	3,570,000	10.5	3,231,975	309,512	28,513	100.0		26.4	53.0	11.1	90.5	8.7	.8	.8	
Oregon	534,229	1.6	205,105	329,124	—	100.0		21.0	17.4	33.4	61.6				
South Carolina	310,603	.9	215,607	89,076	5,920	100.0		28.3	41.1	69.4	28.7	1.9	1.9		
West Virginia	489,918	1.4	443,574	46,344	—	100.0		17.4	61.2	11.9	90.5	9.5			
Wisconsin ¹²	1,077,313	3.2	569,492	444,125	63,696	100.0	16.4	—	36.5	52.9	41.2	5.9	4.1	1.8	
Cliffe plan															
Alabama ¹³	9,101,048	26.8	7,120,264	1,661,982	318,802	100.0		40.6	30.4	7.2	78.2	18.3	3.5	3.4	.1
Delaware	595,592	1.8	467,742	127,850	—	100.0		43.0	33.0	2.5	78.5	21.5			
Illinois ¹⁴	129,199	.4	111,364	17,142	663	100.0		76.0	8.8	1.4	86.2	13.3	.5	.4	.1
Massachusetts	3,684,314	10.8	2,944,326	437,318	302,670	100.0		40.9	29.2	9.8	79.9	11.9	.8	.2	8.2
Oklahoma ¹⁵	2,174,486	6.4	1,764,734	409,752	—	100.0		47.4	25.1	8.7	81.2	18.8			
Texas	381,832	1.1	265,546	116,286	—	100.0		33.1	28.2	8.2	69.5	30.5			
Virginia	1,387,166	4.1	987,441	384,286	15,439	100.0		49.4	10.8	2.0	71.2	27.7	1.1	.7	.4
Benefit-ratio plan															
Florida ¹⁶	4,282,992	12.6	3,354,917	729,202	198,873	100.0		9.4	51.0	18.0	78.4	17.0	4.6	3.1	1.5
Maryland ¹⁷	412,797	1.2	217,874	194,223	—	100.0		48.1	4.7	52.8	47.2				
Michigan ¹⁸	941,355	2.8	546,927	394,428	—	100.0		31.4	21.6	5.1	58.1	41.9			
Minnesota ¹⁹	2,337,564	0.9	2,115,569	78,194	143,801	100.0		66.4	24.1	90.5	3.3	6.2	43.4	—	2.8
Wyoming	540,575	1.6	443,158	52,825	44,593	100.0		19.5	37.3	25.2	82.0	9.8	8.2	8.2	
50,700	.1	51,389	8,632	10,479	—	100.0		49.0	12.9	61.9	17.4	20.7	20.7		
Combined reserve-ratio and benefit-ratio plan															
South Dakota	144,178	.4	67,083	77,095	—	100.0	6.3	13.2	22.5	4.5	46.5	53.5			
Vermont	65,826	.2	35,513	20,313	—	100.0	16.4	34.0	11.5	1.7	63.6	36.4			
Compensable-separations plan	1,325,273	3.9	1,173,946	151,327	—	100.0		—	32.9	55.7	88.6	11.4			
Connecticut ²⁰	1,325,273	3.9	1,173,946	151,327	—	100.0		—	32.9	55.7	88.6	11.4			

¹ Type of plan in effect as of computation date of 1943 rates.

² Standard rate is 2.7 percent in all States except Michigan, where it is 3.0 percent.

³ Includes pay roll of employers assigned 2.8 percent rate in Michigan. See footnote 2.

⁴ Excludes pay roll of employers assigned 2.8 percent rate in Michigan. See footnote 2.

⁵ Rate year began April 1 in Alabama, Arkansas, and Connecticut, and July 1

in the District of Columbia, Idaho, Maine, and Maryland.

⁶ Estimated by State agency.

⁷ State law provides for war-risk contributions; data in this table do not include effect of these provisions.

⁸ Less than 0.05 percent.

⁹ Distribution of pay roll by tax rate estimated.

¹⁰ Based on average annual pay roll, 1940-42.

Table 6.—Percent of rated experience-rating accounts assigned employer contribution rates¹ below and above standard rate² for rate years beginning in 1943, by industry division and selected major industry group, 40 States, as of computation date of 1943 rates

[Based on data reported by State agencies, corrected to June 20, 1944]

Industrial classification	Percent of accounts with rates below and above standard rate ³															
	Total, 40 States		Ariz.		Colo.		Del.		Ill.		Iowa		Mich. ⁴		Minn.	
	Below	Above	Below	Above	Below	Above	Below	Above	Below	Above	Below	Above	Below	Above	Below	Above
Total, all industries	74.7	5.3	55.7	13.8	72.1	8.7	96.8	3.2	80.2	19.8	72.6	10.9	88.9	11.1	77.3	22.7
Mining	54.1	17.0	22.0	43.9	23.7	45.0	(9)	0	29.8	70.2	8.3	76.9	59.7	40.3	59.2	40.8
10 Metal mining	42.0	12.0	21.4	46.7	18.6	37.2	(9)	0	(9)	0	82.1	17.9	84.2	15.8		
12 Bituminous and other soft-coal mining	35.5	34.3	(9)	(9)	7.9	66.7	(9)	(9)	15.2	84.8	4.7	85.2	0	(9)	(9)	0
13 Crude-petroleum and natural-gas production	66.9	11.2	0	(9)	(9)	0	(9)	(9)	47.5	52.5	(9)	(9)	59.2	40.8	(9)	(9)
Construction	46.4	17.6	19.7	30.6	30.2	41.9	86.6	13.4	42.7	57.3	13.8	59.2	61.8	38.2	23.9	76.1
15 Building construction—general contractors	42.9	15.3	11.3	20.0	21.9	40.6	93.7	6.3	41.8	58.2	4.7	63.9	63.6	36.4	21.0	79.0
Manufacturing	72.1	5.3	53.9	9.4	72.1	7.2	96.5	3.5	70.1	20.9	72.9	6.9	89.9	10.1	81.3	13.7
20 Food and kindred products	74.5	3.0	49.4	6.3	70.3	4.1	97.8	2.2	85.2	14.8	76.5	6.9	95.6	4.4	90.2	9.8
22 Textile-mill products	49.6	6.3	(9)	(9)	0	(9)	(9)	(9)	75.0	25.0	(9)	0	66.0	34.0	70.0	30.0
24 Lumber and timber basic products	59.6	4.0	(9)	(9)	(9)	(9)	100.0	0	80.0	20.0	75.0	11.1	66.5	33.5	55.0	44.0
26 Paper and allied products	83.8	2.9	(9)	(9)	(9)	(9)	(9)	(9)	90.4	6.6	(9)	(9)	90.5	9.5	85.0	15.0
28 Chemicals and allied products	81.4	3.7	(9)	(9)	88.5	3.8	100.0	0	91.3	8.7	75.9	3.7	94.4	5.6	93.7	6.3
29 Products of petroleum and coal	86.5	4.4	(9)	(9)	0	(9)	0	(9)	87.2	12.8	(9)	0	92.3	7.7	(9)	(9)
33 Iron and steel and their products	83.8	3.2	(9)	(9)	0	(9)	0	(9)	88.5	11.5	72.8	1.1	90.6	9.4	91.5	8.5
34 Transportation equipment (except automobiles)	72.8	3.5	(9)	(9)	0	(9)	0	(9)	74.2	25.8	(9)	0	(9)	(9)	(9)	0
35 Nonferrous metals and their products	81.0	4.2	(9)	(9)	(9)	(9)	0	(9)	83.0	17.0	(9)	0	88.0	12.0	93.3	6.7
36 Electrical machinery	79.0	2.0	(9)	(9)	(9)	(9)	0	(9)	83.5	16.5	(9)	(9)	86.4	13.6	91.9	8.1
37 Machinery (except electrical)	87.2	1.4	(9)	0	(9)	(9)	0	(9)	95.8	4.2	77.3	2.7	98.3	1.7	98.5	6.5
38 Automobiles and automobile equipment	74.2	5.8	(9)	0	(9)	0	(9)	0	92.3	7.7	(9)	0	85.6	14.4	(9)	(9)
Transportation, communication, and other public utilities	78.3	3.8	55.2	13.1	68.4	8.8	92.5	7.5	90.3	9.7	83.3	1.7	91.9	8.1	79.1	20.9
48 Utilities: Electric and gas	87.4	1.6	80.8	3.8	(9)	0	(9)	0	95.5	4.5	69.8	0	94.9	5.1	82.5	17.5
Wholesale and retail trade	79.9	3.2	59.7	12.3	79.3	3.1	97.9	2.1	87.5	12.5	83.6	2.0	93.0	7.0	81.4	18.6
50 Full-service and limited-function wholesalers	86.3	1.9	74.4	5.1	85.6	.5	100.0	0	92.0	8.0	85.3	1.5	95.2	4.8	88.4	11.6
51 Wholesale distributors, other than full-service and limited-function wholesalers	87.4	1.8	80.2	8.6	80.3	1.7	95.2	4.8	95.1	4.9	82.4	2.8	95.4	4.6	92.6	7.4
53 Retail general merchandise	79.4	1.9	62.9	4.1	67.3	3.8	98.8	1.2	91.0	9.0	91.9	2.2	92.8	7.2	87.6	12.4
54 Retail food (includes liquor stores)	79.5	3.2	58.0	10.0	76.5	1.2	97.9	2.1	87.1	12.9	91.5	(9)	93.3	6.7	81.6	18.4
Finance, insurance, and real estate	87.2	2.3	86.1	2.0	90.6	3.0	90.3	7	89.0	11.0	89.3	8	96.3	3.7	89.0	11.0
63 Insurance carriers	94.4	8	91.4	0	96.7	1.1	100.0	0	95.7	4.3	92.6	0	98.6	1.4	96.6	3.4
Service	73.8	5.5	54.8	12.8	65.5	11.9	98.4	1.6	78.0	22.0	74.4	9.2	85.4	14.6	82.8	17.2
Miscellaneous ⁷	51.3	11.4	54.8	0.7	(9)	(9)	98.1	1.9	60.6	39.4	47.1	17.6	55.4	44.6	59.4	40.6
Mo.	N. J.		N. Mex.		Ohio		S. C.		Tex. ⁸		Wis.		Wyo.			
Below	Above	Below	Above	Below	Above	Below	Above	Below	Above	Below	Above	Below	Above	Below	Above	
Total, all industries	81.6	4.7	68.1	8.3	60.6	11.2	92.7	4.5	75.7	6.2	94.1	5.9	66.8	6.7	65.6	34.4
Mining	31.5	47.0	75.4	3.8	45.5	26.1	66.5	24.0	(9)	(9)	82.8	17.2	31.5	27.4	50.0	50.0
10	(9)	(9)	0	(9)	(9)	(9)	0	0	(9)	(9)	0	(9)	(9)	(9)	21.6	78.4
12	9.8	80.3	(9)	(9)	(9)	(9)	45.6	42.6	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)
13	(9)	(9)	(9)	(9)	55.8	17.7	77.9	15.1	(9)	(9)	82.3	17.7	(9)	(9)	(9)	(9)
Construction	39.7	22.6	37.6	18.2	25.5	42.7	72.8	18.7	30.6	24.9	84.5	15.5	29.2	25.6	27.5	72.7
15	35.5	22.6	30.6	13.3	24.3	35.1	79.2	12.9	29.0	27.4	84.2	15.8	27.5	23.0	24.2	75.8
Manufacturing	82.3	3.1	61.0	13.1	51.2	16.5	95.4	3.0	67.0	7.2	92.6	7.4	63.6	5.4	63.8	36.2
20	84.4	1.9	78.2	4.5	56.5	3.2	95.5	2.6	85.3	9.9	96.9	4.1	67.8	2.6	61.7	38.3
22	72.0	3.6	38.6	21.9	(9)	(9)	80.9	6.7	67.2	5.3	97.2	2.8	57.6	12.1	(9)	(9)
24	70.2	3.6	89.0	0	22.6	45.2	94.0	3.6	56.3	8.7	89.4	10.6	56.0	4.2	44.4	55.6
26	95.8	0	79.2	.8	(9)	(9)	92.4	0	(9)	0	89.9	0	(9)	(9)	(9)	(9)
28	90.2	1.2	88.8	1.1	(9)	(9)	97.8	.7	94.7	17.8	94.7	35.3	85.3	3.3	(9)	0
29	(9)	0	(9)	(9)	0	(9)	92.3	2.6	(9)	0	94.5	5.5	(9)	(9)	(9)	(9)
33	88.1	1.3	85.1	1.1	(9)	0	95.4	.7	(9)	0	93.7	4.3	55.0	4.1	(9)	0
34	(9)	0	48.2	3.6	(9)	0	98.6	0	(9)	0	(9)	0	48.1	25.9	(9)	(9)
35	92.0	2.0	82.1	.6	(9)	0	96.2	1.2	(9)	0	100.0	0	53.5	7.0	(9)	(9)
36	87.5	0	59.7	1.7	(9)	0	96.7	0	(9)	0	(9)	0	42.3	9.6	(9)	(9)
37	92.3	0	84.6	1.4	(9)	0	99.7	0	(9)	0	90.2	.8	45.5	5.7	0	(9)
38	(9)	(9)	0	0	97.5	2.5	(9)	0	(9)	0	(9)	0	34.3	14.3	(9)	(9)
Transportation, communication, and other public utilities	84.2	4.0	77.8	2.5	65.8	5.0	95.7	2.3	71.4	9.2	89.8	10.2	64.8	4.1	62.8	37.2
48	100.0	0	(9)	0	89.3	9	100.0	0	(9)	0	99.0	1.0	73.3	0	70.3	20.7
Wholesale and retail trade	88.2	1.5	79.7	2.6	65.7	5.6	95.1	2.5	86.4	2.9	97.9	2.1	75.4	2.7	70.7	29.3
50	91.5	1.3	88.6	1.3	70.3	3.8	97.9	1.0	88.9	4.6	97.1	2.9	82.0	1.4	76.3	23.7
51	94.6	.7	91.6	2.0	84.1	2.0	98.4	.9	88.5	4.7	97.1	2.9	78.1	4.7	85.2	13.8
53	92.3	1.2	74.7	1.4	68.6	2.9	96.9	1.3	81.1	2.0	98.1	1.9	78.3	.4	73.8	26.2
54	87.9	1.9	77.6	1.6	65.4	11.4	98.0	.8	91.8	2.0	98.2	1.8	76.0	1.4	74.0	26.0
55	91.0	2.0	85.6	2.1	84.4	1.4	96.1	1.1	97.0	0	97.6	2.4	87.9	1.6	92.0	8.0
56	95.3	0	95.3	0	(9)	0	99.3	.3	(9)	0	97.4	2.6	93.5	.9	(9)	(9)
57	78.5	5.9	64.6	9.0	55.9	8.6	92.7	4.3	85.0	3.6	96.8	3.2	64.9	9.8	63.0	37.0
58	39.6	24.5	50.0	29.7	20.7	27.6	70.9	22.4	(9)	(9)	82.8	17.2	44.0	18.0	(9)	(9)

See footnotes on next page.

Table 6.—Percent of rated experience-rating accounts assigned employer contribution rates¹ below and above standard rate² for rate years beginning in 1943, by industry division and selected major industry group, 40 States, as of computation date of 1943 rates—Continued

Industrial classification	Percent of accounts with rates below standard rate ¹												
	Ala.	Ark.	Calif.	Conn.	D. C.	Fla.	Ga.	Hawaii	Idaho	Ind.	Kans.	Ky.	
Total, all industries	95.2	70.4	37.0	85.5	90.0	70.9	80.4	97.6	65.6	66.0	72.0	72.7	
Mining	88.9	49.4	32.8	63.0	—	57.5	73.2	(*)	59.0	24.2	43.9	86.7	
10	(*)	(*)	17.4	—	—	—	—	—	68.4	(*)	(*)	0	
12	88.9	10.3	17.4	—	—	—	—	—	—	13.2	16.1	56.1	
13	—	61.6	39.9	—	—	—	—	—	—	—	52.4	50.6	
Construction	81.7	42.2	22.8	54.1	82.6	55.1	23.7	98.1	38.9	15.0	16.9	47.7	
15	80.2	28.4	18.6	52.6	90.6	36.1	36.9	95.9	25.9	10.2	5.3	39.3	
Manufacturing	93.2	20.7	34.4	83.4	93.4	65.2	73.5	97.2	50.8	63.0	75.7	73.5	
20	96.2	53.7	33.8	96.5	93.4	72.0	90.3	100.0	61.3	72.8	76.2	74.6	
22	96.9	12.6	57.1	(*)	66.2	(*)	(*)	(*)	—	(*)	(*)	(*)	
24	93.7	55.6	23.1	(*)	67.1	80.5	(*)	21.3	53.0	(*)	(*)	85.7	
26	(*)	45.8	82.1	(*)	(*)	(*)	(*)	0	77.8	(*)	(*)	(*)	
28	85.4	43.2	57.3	93.0	(*)	61.9	61.8	(*)	80.0	20.6	37.8	—	
29	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
33	95.7	—	53.4	96.7	(*)	(*)	75.5	(*)	(*)	56.2	(*)	57.4	
34	(*)	(*)	54.2	84.0	(*)	(*)	0	(*)	(*)	(*)	(*)	(*)	
35	(*)	(*)	52.1	90.4	(*)	(*)	(*)	(*)	0	44.0	(*)	(*)	
36	(*)	(*)	63.9	93.7	(*)	(*)	(*)	(*)	57.1	0	(*)	(*)	
37	(*)	(*)	67.0	97.0	(*)	(*)	88.6	(*)	(*)	69.3	(*)	67.6	
38	(*)	0	42.3	(*)	(*)	(*)	(*)	(*)	38.9	(*)	(*)	(*)	
Transportation, communication, and other public utilities	93.8	66.6	46.8	90.8	94.0	70.3	74.7	100.0	61.4	72.0	74.8	87.3	
48	(*)	77.8	71.4	(*)	(*)	(*)	(*)	(*)	63.0	68.3	78.3	58.1	
Wholesale and retail trade	98.0	72.4	36.6	92.4	90.3	76.3	87.7	98.2	64.3	75.0	79.7	76.9	
50	98.7	81.0	56.5	94.8	94.4	90.2	84.4	98.7	63.5	83.1	88.6	82.1	
51	97.4	82.5	57.3	96.4	97.9	67.6	93.1	96.5	77.5	84.6	84.0	74.5	
53	97.5	70.8	30.8	93.4	84.1	71.6	85.4	99.0	63.1	87.4	79.3	79.7	
54	100.0	65.2	34.4	93.6	88.1	82.7	91.0	98.8	64.3	69.2	74.3	70.3	
Finance, insurance, and real estate	98.5	88.7	53.3	95.6	92.4	85.9	94.3	96.1	88.1	87.9	92.2	71.5	
62	100.0	88.8	82.3	98.9	96.4	93.8	100.0	(*)	91.2	94.8	94.3	93.4	
Service	98.9	72.3	35.3	88.6	80.2	63.9	83.1	96.6	69.0	63.8	75.8	75.4	
Miscellaneous ⁷	(*)	39.5	28.5	54.7	(*)	57.1	(*)	(*)	74.2	(*)	(*)	(*)	
	Maine	Md. ⁴	Mass.	Nebr.	N. H.	N. C.	N. Dak.	Oklahoma	Oreg.	S. Dak.	Vt.	Va.	W. Va.
Total, all industries	78.2	84.5	79.5	66.6	66.9	24.6	74.7	80.1	60.7	72.4	54.0	92.6	85.6
Mining	0	47.6	66.7	(*)	(*)	4.7	(*)	62.8	30.3	(*)	(*)	74.4	69.9
10	0	(*)	(*)	0	—	—	—	73.5	36.0	—	—	(*)	(*)
12	0	20.6	(*)	(*)	(*)	(*)	(*)	13.0	(*)	0	27.1	64.6	83.0
13	—	—	—	—	—	—	—	69.0	(*)	—	—	—	—
Construction	37.4	76.2	54.1	12.7	52.5	11.7	7.5	16.2	27.7	8.7	2.5	70.6	51.2
15	33.3	80.6	51.1	8.3	15.6	11.7	0	38.8	18.4	(*)	0	77.7	51.9
Manufacturing	61.5	79.1	76.8	65.0	62.0	14.2	77.2	80.7	45.9	63.5	40.8	90.9	78.5
20	58.9	82.3	51.7	61.1	80.0	10.5	72.7	78.8	60.2	62.3	53.3	92.5	91.2
22	38.9	55.3	75.4	(*)	27.8	4.3	(*)	(*)	(*)	(*)	83.5	(*)	(*)
24	51.3	92.0	88.0	(*)	58.9	17.3	(*)	74.4	17.9	(*)	50.0	91.5	66.4
26	(*)	88.2	92.3	(*)	96.0	6.7	(*)	(*)	(*)	(*)	93.9	(*)	(*)
28	(*)	96.7	93.1	68.5	(*)	8.8	(*)	75.0	64.5	(*)	92.2	100.0	—
29	(*)	(*)	(*)	(*)	(*)	(*)	(*)	96.3	(*)	(*)	(*)	(*)	(*)
33	(*)	86.7	85.5	92.7	(*)	(*)	20.8	82.3	72.6	(*)	98.0	86.1	—
34	(*)	(*)	84.8	0	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
35	(*)	84.0	91.8	(*)	0	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
36	(*)	(*)	90.0	0	(*)	0	(*)	(*)	(*)	(*)	(*)	(*)	(*)
37	(*)	100.0	97.3	(*)	85.3	28.6	(*)	95.7	85.7	(*)	51.9	100.0	(*)
38	(*)	(*)	(*)	(*)	(*)	0	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Transportation, communication, and other public utilities	88.0	88.0	86.8	72.1	83.9	17.8	80.0	82.1	71.1	75.4	72.3	96.0	90.8
48	96.2	(*)	100.0	(*)	(*)	(*)	94.3	(*)	(*)	(*)	97.0	97.0	—
Wholesale and retail trade	92.2	87.4	83.9	66.8	76.5	34.0	79.5	87.1	70.1	78.7	71.9	96.0	95.1
60	96.5	83.2	91.4	80.9	87.3	38.4	87.1	96.7	79.4	84.3	81.4	92.3	97.3
61	94.9	94.9	92.9	77.1	84.5	49.9	70.7	92.0	85.3	78.2	82.3	95.4	96.9
63	92.2	90.4	82.2	82.2	78.1	22.3	90.7	87.0	66.7	81.3	63.6	94.4	96.8
64	93.5	87.4	84.8	67.6	75.9	56.9	71.9	86.0	75.5	83.3	66.7	97.8	94.4
Finance, insurance, and real estate	93.8	95.3	90.2	89.3	96.7	47.4	93.2	80.0	85.7	82.9	79.5	98.8	96.7
63	94.7	90.1	96.0	91.5	98.1	58.9	(*)	95.8	96.6	82.0	90.0	100.0	100.0
Service	73.1	82.4	77.1	63.4	50.3	20.4	78.4	82.2	64.0	68.9	37.7	94.5	85.2
Miscellaneous ⁷	(*)	85.1	49.7	(*)	(*)	(*)	34.9	53.2	(*)	(*)	(*)	(*)	(*)

¹ Contribution rates are stated as a percent of taxable pay roll.

² Standard rate 2.7 percent in all States except Michigan, where it is 3.0 percent.

³ Rates above 2.7 percent effective through June 30, 1943; 2.7 percent maximum thereafter.

⁴ Excludes accounts affected by war-risk provisions of State law.

⁵ Not computed; less than 25 rated accounts.

⁶ Less than 0.05 percent.

⁷ Includes industry division agriculture, forestry and fishery, and establishments not elsewhere classified.

rates above the standard in 1943, the 1942 pay rolls of employers with such rates exceeded 20 percent of the total only in Wyoming and ranged from 0.5 percent of State-wide pay roll in Delaware to 21 percent in Wyoming.

Analysis of Rates by Industry

The proportion of employer accounts with rate reductions in 1943 differed sharply from industry to industry, primarily because of characteristic differences among industries in stability of employment and in rate of business turn-over. Clearly defined relationships between industry and reduced tax rates cannot be established, however, because all industries are not distributed proportionately among the States and because State experience-rating provisions differ considerably. The very different types of experience-rating provisions in individual States therefore affect the separate industries unevenly. Geographic location frequently is of greater importance in determining an employer's tax rate than his industrial activity.

The addition of 1942 experience to that of previous years resulted in higher proportions of eligible employer accounts with reduced rates in each industry division. The benefits of wartime "full employment" spread to employers in all industry divisions in the form of rate reductions. As in 1941 and 1942, the finance, insurance, and real estate division, including about 8 percent of all rated employers in 1943, had the highest proportion of accounts with reduced rates—87 percent (table 6). In all but 6 States this industry division had a greater proportion of employers with reduced rates than any other. Among insurance carriers, rates were reduced for 94 percent of all employer accounts. At the other extreme was the construction division, which included only a slightly smaller proportion of all rated employers but in which only 46 percent of the employers were entitled to reductions, with a range from 3 percent in Vermont to 98 percent in Hawaii. In every State except Hawaii, construction employers had relatively fewer rate reductions than employers as a whole.

Four industry divisions—manufacturing; transportation, communica-

(Continued on page 48)

The British White Paper on Employment Policy *

Use of variable rates of social insurance contributions in preventing a decline in consumer purchasing power and hence in employment is one of the methods advocated by the British Government in its proposed plan for maintaining high employment after the war. The following article outlines briefly that and other aspects of the proposed plan.

MAINTENANCE of a high and stable level of employment after the war is one of the basic assumptions underlying the Beveridge plan for a comprehensive system of social insurance. The Beveridge plan, in the words of its author, "is a plan to win freedom from want by maintaining incomes." But, he continues, "income security, which is all that can be given by social insurance, is so inadequate a provision for human happiness that to put it forward by itself as a sole or principal measure of reconstruction hardly seems worth doing. It should be accompanied by an announced determination to use the powers of the State to whatever extent may prove necessary to ensure for all, not indeed absolute continuity of work, but a reasonable chance of productive employment."¹

The recent British White Paper on Employment Policy² takes up this challenge and sets out a broad and comprehensive policy for the prevention of unemployment after the war. Ernest Bevin stressed the pioneering nature of this approach when he introduced into the House of Commons the motion—agreed to after debate—that "this House . . . welcomes the declaration of His Majesty's Government accepting as one of their primary aims and responsibilities the maintenance of a high and stable level of employment after the war." After summarizing briefly the past attempts of the Government to cope with unemployment by means of the social services, public works, and other measures, he continued: "But all these were

merely measures to minimise the effect of unemployment, not a recognition that unemployment was and is a social disease, which must be eradicated from our social life. The State's job up to this date has been to deal with the after-effects of the disease, and not to take active measures itself to promote and maintain economic health. This Motion is an assertion that, while there will still be difficulties to contend with, and the social services must continue to play their part, the first consideration must be the way to remove the cause. Having tried relief in all its forms, we now propose to diagnose, and we hope to cure."³

The White Paper is concerned primarily with the prevention of mass unemployment in the post-reconversion period. It analyzes the general conditions required to maintain a high and stable level of employment and proposes specific measures to prevent a fall in total expenditure and hence in employment. It also deals with the particular problems of the transition from war to peace and of localized unemployment in particular industries and areas. Although the White Paper is concerned with domestic policy, it stresses throughout the important connection between the level of employment and the volume of Britain's foreign trade and emphasizes the need to expand British exports, not only by all appropriate internal measures, particularly through increase in industrial efficiency, but also by international collaboration and agreements.

General Conditions of a High and Stable Level of Employment

The three general conditions of a high and stable level of employment, as set out in the White Paper, are

maintenance of total expenditure on goods and services, stability of prices and wages, and mobility of labor between occupations and localities.

Maintenance of total expenditure is considered the first step in maintaining general employment. For, "assuming a given level of wages and prices, and full mobility of labour, workers will lose or fail to find employment because there is not a sufficiently large expenditure on the goods and services which they might produce." Of the constituent parts of total expenditure—private consumption expenditure, public expenditure on current services, private and public investment expenditure, and the foreign balance, i. e., the difference between exports and imports—private investment expenditure and the foreign balance are regarded as the elements most liable to sudden and spontaneous variation, and consequently as the most usual cause of instability in total expenditure. Accordingly, it is proposed that the guiding principles of the Government's general policy in maintaining total expenditure should be to do everything possible to limit dangerous swings in expenditure on private investment and to avoid an unfavorable foreign balance by making every effort to facilitate much greater exports than before the war.

Since, however, these two elements in total expenditure are not only those most likely to fluctuate but also those most difficult to control, the Government must be prepared to take additional measures. These should include the planning of public investment "to offset unavoidable fluctuations in private investment" as well as steps "to check and reverse the decline in expenditure on consumers' goods which normally follows as a secondary reaction to a falling off in private investment."

Unless prices and wages are kept reasonably stable, however, these measures are likely to be unsuccessful. For if the increased expenditure brought about at the onset of a depression through one or more of the policies outlined above goes to increase prices or wages, it will not lead to the desired rise in the volume of employment. Accordingly, the White Paper urges that employers, organized labor, and the Government do everything in their power to bring about

*Prepared in the Division of Finance and Economic Studies, Bureau of Research and Statistics.

¹Beveridge, Sir William, *Social Insurance and Allied Services*, New York, 1942, p. 163.

²Great Britain, *Employment Policy*, New York: Macmillan Company, 1944, 31 pp. (American edition of Cmd. 6527, issued May 26, 1944.)

³Parliamentary Debates, House of Commons, June 21, 1944, p. 212.

this essential condition of a successful employment policy. It is suggested that employers "seek in larger output rather than higher prices the reward of enterprise and good management"; that workers examine their trade practices and customs "to ensure that they do not constitute a serious impediment to an expansionist economy and so defeat the object of a full employment programme"; and that the Government "seek power to inform themselves of the extent and effect of restrictive agreements, and of the activities of combines; and to take appropriate action to check practices which may bring advantages to sectional producing interests but work to the detriment of the country as a whole."

Finally, a high degree of mobility of labor between occupations and localities is considered essential if unemployment is to be reduced to a minimum. While the White Paper stresses that "every individual must exercise to the full his own initiative in adapting himself to changing circumstances," it advocates that the Government facilitate this process by such measures as retraining programs, resettlement allowances, and adequate low-cost housing for workers who have to move to a new locality.

Methods for Maintaining Total Expenditure

To carry out the general policies for maintaining total expenditure outlined above, specific proposals are made for stimulating private investment activity, planning and facilitating public capital expenditure, and encouraging expenditures on consumption goods.

As a first step in stabilizing capital expenditure, the Government will consider the possibility of influencing such expenditure by the variation of interest rates. "Monetary policy alone, however, will not be sufficient to defeat the inherent instability of capital expenditure. High interest rates are more effective in preventing excessive investment in periods of prosperity than are low interest rates in encouraging investment in periods of depression." To supplement monetary policy, the White Paper proposes that the Government encourage privately owned enterprises "to plan their own capital expenditure in conformity with a general stabilisation

policy," pointing out that this should not be too difficult to accomplish "For to a strong and well-established business . . . there are obvious attractions in executing plans for expansion or for the replacement of obsolete plant at times when costs are low." It is also suggested that a system of deferred tax credits might be considered, since it would provide business with a further inducement to undertake capital expenditure at the onset of a depression.

The authors of the White Paper do not place too much confidence in the efficacy of these measures, and they believe that public investment can be used more directly as an instrument of employment policy. They accept the principle that public capital expenditure should not, as it usually has in the past, fall in times of slump and rise in times of boom but "should actually expand when private investment is declining and should contract in periods of boom." Since by far the greatest part of such expenditure is undertaken by local authorities and public utilities, it is proposed that the Government induce these agencies to plan and carry out their investment activities in this way. It is suggested that the Government should require local authorities to submit 5-year public works programs prepared in the light of the prospective employment situation, coordinate these programs and set a target for the whole volume of public works in the succeeding year, and use the existing mechanism of loan sanctions or grants to slow down or accelerate the execution of these programs as the employment situation may warrant.

If, despite all these measures, capital expenditure and employment should fall, the White Paper suggests, as a second line of defense, steps to influence the community's expenditure on consumption in order to prevent a progressive decline in expenditure and employment. It favors "a scheme for varying, in sympathy with the state of employment, the weekly contribution to be paid by employers and employed under the proposed new system of social insurance." A standard rate of contribution would be assessed on the basis of the estimated average level of unemployment in such a way that the social insurance fund would be in balance over a number of

years. But the rate actually levied "would exceed the standard rate at times when unemployment fell below the estimated average level and would be less than the standard rate at times when unemployment exceeded this average."

It is pointed out that such a program, once introduced, should operate as automatically as possible. "It would not be expedient to put it into operation in the unsettled economic conditions which are likely to prevail in the period immediately after the end of the war, when inflationary tendencies will be at work. Even after the end of that period there may be circumstances in which this remedy would be less appropriate and effective, e. g., if there were serious unemployment confined to particular industries but not accompanied by a significant general fall in employment throughout the country. Nevertheless, after the end of the transition period, a sliding scale scheme, though subject to possible suspension on occasion, could be essentially automatic in character."

An appendix to the White Paper submits a tentative rate schedule for the proposed plan. Assuming an average level of unemployment of 8 percent (the level assumed in the Beveridge report) and taking the Beveridge report's rates as the standard rates, it is suggested that the weekly contribution of adult male workers, for example, might range from the standard rate of 4s. 3d. to a maximum of 5s. 6d. if unemployment fell below 5 percent and to a minimum of 3s. if unemployment rose above 11 percent. Similarly, the weekly contribution of the employers of these workers might vary around the standard rate of 3s. 3d., between a maximum of 4s. 6d. and a minimum of 2s. Above a certain level of unemployment, a rise of 2 points in the unemployment percentage would decrease the total social insurance contributions of workers by an estimated average of £500,000 a week, quite apart from the reduction in the costs of employers. The authors of the White Paper believe that "the additional money thus left in the hands of many millions of people would help to maintain the demand for consumers' goods, thereby offsetting, at least in part, the decline in the expenditure of those who had lost their employment. This maintenance of purchas-

ing power would reduce substantially the variations in total expenditure and employment."

If additional measures to maintain consumption should become necessary, the Government might consider a system of variable rates of taxation or of deferred tax credits. It is also proposed that the Government "might directly sustain employment in consumer goods industries by placing orders at a time when the normal demand for their products was flagging."

The White Paper stresses that the proposed policies, while affecting to some extent the balancing of the budget in single years, "do not contemplate any departure from the principle that the Budget must be balanced over a longer period." This principle is regarded as essential for maintaining confidence in Government policy, both at home and abroad. It is proposed, therefore, that "the Government will have equally in mind the need to maintain the national income, and the need for a policy of budgetary equilibrium such as will maintain the confidence in the future which is necessary for a healthy and enterprising industry."

The Transition From War to Peace

Although the authors of the White Paper do not envisage the danger of mass unemployment during the transition from war to peace, they are concerned with the problems of this period because, unless these are well handled, the longer-term policy in the post-reconversion period will be much more difficult. Local unemployment, inflation, and a distorted expansion of civilian production are seen as the principal dangers in the years immediately following the war. To minimize them, the White Paper proposes a Government policy aimed at promoting the "orderly expansion" of peacetime industries; the continuation, for a time, of wartime controls, such as price control, rationing of consumer goods, and control over the capital market; and the establishment of certain broad priorities over raw materials and labor "to direct the efforts of industry towards the right tasks in the right order"—exports first, civilian necessities second, and industrial equipment third.

The Problem of Localized Unemployment

The White Paper deals separately with the problem of "depressed areas," i. e., areas largely dependent on an industry or group of industries which have declined because of "technical change, the trend of fashion, or the growth of foreign competition." Although it is pointed out that such areas will benefit somewhat from the Government's policy to maintain domestic expenditure and prevent mass unemployment, additional measures will be necessary to solve their problems. The first line of attack should be to promote the technical efficiency of the depressed industries. In addition, the Government should influence the location of industry so as to "diversify the industrial composition of areas which are particularly vulnerable to unemployment"; remove obstacles to the transfer of workers from one area or occupation to another; and provide training facilities "to fit workers from declining industries for jobs in expanding industries." The emphasis of the White Paper is on bringing the work to the men rather than the men to the work (an important reversal of policy), and the measures by which the location of industry is to be influenced by the Government are outlined in considerable detail.

Next Steps

Although the foreword to the White Paper states that "Unlike other Papers on post-war problems which the Government have presented or are preparing, this is not primarily an outline of projected legislation," legislation will undoubtedly be required to translate some of the proposed policies into practice. The debates on the White Paper in the House of Commons at the end of June resulted in acceptance by the House of the Government's general responsibility for securing a high and stable level of employment. Before the Government can seek powers to carry out the policies set out in the White Paper, however, it will probably be necessary to elaborate and strengthen some of them.

The proposals for maintaining private investment, for example, have been regarded as much too weak, and the statement on restrictive practices

has been criticized as being vague and ambiguous at best. While the proposal for variable social insurance rates has had a favorable reception, it is generally regarded as insufficient by itself to counteract fully a fall in consumption at the onset of a depression. As a matter of fact, it is questionable whether the rates suggested would achieve appreciably greater variation in contributions collected than a flat percentage rate of contribution such as is already in effect in the social insurance system in the United States.

Nevertheless, the White Paper is an important landmark. "It is true," the British *Economist* points out, "that full employment—and over-full employment—has twice been attained in this country in wartime. It is true also that some other industrial countries—Russia and Germany, notably—have attained it in peacetime—but only at the triple cost of employing a large part of their national industries on war preparations, of conscripting the persons and restricting the consumption of their citizens. What is now to be attempted in Great Britain is something quite new—and something much more difficult than any of these. For there are two unspoken assumptions in any full employment policy for a democracy. The first is that full employment is to be achieved without any departure from methods of persuasion and agreement; it is to be achieved under free criticism and without conscription. The second is that employment is to be devoted to supplying the idiosyncratic wants of individuals. No community, of course, can survive if its citizens insist on devoting all of what they produce to current consumption. But it is the democratic dogma that the people themselves shall decide how much they will consume, how much they will provide for the needs of the State and how much they will set aside for additions to capital. A democratic full employment policy must attain its goal while obeying these instructions. No country has ever done this. Until last week, no country had even announced a policy for doing it. Irrespective of the precise nature of its contents, the first formal resolution of democracy to shoulder a new responsibility on behalf of its members deserves a round of applause."

Public Assistance

Statistics for the United States

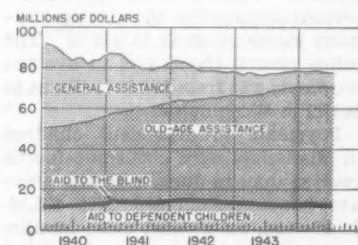
Public assistance payments totaled \$77.7 million in the continental United States during July (table 1), 0.2 percent less than in June but 0.8 percent more than a year earlier. General assistance payments decreased 3.1 percent and aid to dependent children 0.8 percent, while old-age assistance increased slightly. Recipients of each type of assistance continued to decline in July—aid to dependent children by 1.7 percent; aid to the blind, 1.5 percent; general assistance, 1.3 percent; and old-age assistance, 0.3 percent. The small percentage

change for old-age assistance, however, represented the largest number of recipients—6,000.

Old-age assistance.—July was the 25th month of continuous decline in recipients. Only 11 States reported increases. Payments increased 0.3 percent, and the average payment advanced from \$27.55 to \$27.71. Among the States, the averages ranged from \$10.97 in Georgia to \$47.22 in California.

In the first month of the new fiscal year, Mississippi's total payments to the aged were half again as large as in June, a result of an increased appropriation; the average payment rose from \$10.03 to \$14.58, and the number of recipients was 3.0 percent greater.

Chart 1.—Public assistance payments in the continental United States, January 1940-July 1944



In Alabama, payments increased 6.2 percent, and recipients, 3.0 percent. North Dakota raised payments by 5.9 percent, increasing the average from \$28.52 to \$30.25.

Aid to dependent children.—The July decrease in number of families (1.7 percent) was the largest in almost a year. Only five States (Ala-

Table 1.—Public assistance in the continental United States and in all States with plans approved by the Social Security Board, by month, July 1943-July 1944¹

Year and month	Continental United States						States with approved plans				
	Total	Special types of public assistance			General assistance	Total	Old-age assistance	Aid to dependent children		Aid to the blind	
		Old-age assistance	Aid to dependent children	Aid to the blind				Families	Children		
Number of recipients											
1943											
July	2, 162, 241	295, 849	727, 724	77, 201	326, 000	—	2, 165, 202	293, 806	723, 722	53, 600	
August	2, 161, 326	289, 905	715, 117	76, 224	313, 000	—	2, 164, 290	287, 926	711, 168	53, 539	
September	2, 155, 930	284, 627	703, 851	76, 247	305, 000	—	2, 158, 883	282, 692	699, 990	53, 438	
October	2, 155, 246	280, 020	693, 562	76, 137	297, 000	—	2, 158, 178	278, 131	689, 817	53, 383	
November	2, 151, 542	275, 505	682, 547	76, 162	292, 000	—	2, 154, 466	273, 689	678, 916	53, 463	
December	2, 146, 066	272, 346	675, 844	76, 193	292, 000	—	2, 148, 988	270, 594	672, 368	53, 363	
1944											
January	2, 133, 701	269, 771	671, 556	75, 035	288, 000	—	2, 136, 611	270, 270	673, 207	53, 955	
February	2, 120, 054	267, 849	667, 052	74, 745	283, 000	—	2, 122, 946	268, 343	668, 684	53, 702	
March	2, 110, 549	265, 952	662, 920	74, 434	281, 000	—	2, 113, 442	266, 451	664, 555	53, 434	
April	2, 101, 550	264, 139	659, 192	74, 247	273, 000	—	2, 104, 448	264, 632	660, 822	53, 236	
May	2, 092, 928	262, 655	655, 812	73, 964	266, 000	—	2, 095, 325	263, 142	657, 417	53, 070	
June	2, 084, 018	260, 220	650, 700	73, 816	258, 000	—	2, 086, 906	260, 709	652, 302	53, 899	
July	2, 077, 957	255, 827	640, 455	72, 742	255, 000	—	2, 080, 827	256, 283	641, 977	53, 849	
Amount of assistance											
1943											
July	\$77, 153, 279	\$54, 953, 729	\$11, 539, 723	\$2, 101, 827	\$8, 558, 000	\$67, 943, 245	\$55, 025, 631	\$11, 515, 749	\$1, 401, 865		
August	77, 095, 450	55, 533, 556	11, 393, 453	2, 102, 441	8, 066, 000	68, 385, 275	55, 605, 747	11, 371, 178	1, 408, 350		
September	77, 529, 190	56, 017, 833	11, 314, 099	2, 096, 258	8, 101, 000	68, 800, 081	56, 090, 052	11, 293, 365	1, 416, 664		
October	78, 086, 264	56, 601, 420	11, 307, 179	2, 107, 655	8, 070, 000	69, 591, 941	56, 673, 838	11, 286, 140	1, 631, 963		
November	78, 203, 656	56, 881, 691	11, 308, 070	2, 105, 895	7, 908, 000	69, 875, 830	56, 954, 094	11, 290, 169	1, 631, 567		
December	78, 724, 086	57, 207, 038	11, 293, 702	2, 113, 346	8, 110, 000	70, 194, 858	57, 279, 774	11, 274, 453	1, 640, 631		
1944											
January	78, 443, 603	57, 226, 850	11, 237, 946	2, 103, 807	7, 875, 000	70, 203, 332	57, 299, 846	11, 266, 900	1, 636, 586		
February	78, 510, 410	57, 236, 731	11, 300, 984	2, 106, 695	7, 866, 000	70, 278, 831	57, 309, 703	11, 329, 214	1, 639, 914		
March	78, 564, 348	57, 231, 425	11, 312, 457	2, 105, 466	7, 915, 000	70, 286, 167	57, 304, 625	11, 340, 734	1, 640, 808		
April	78, 270, 356	57, 348, 644	11, 311, 160	2, 110, 543	7, 500, 000	70, 406, 772	57, 422, 694	11, 339, 349	1, 644, 729		
May	78, 103, 683	57, 398, 136	11, 238, 081	2, 121, 466	7, 346, 000	70, 399, 447	57, 472, 466	11, 265, 833	1, 658, 148		
June	77, 925, 495	57, 417, 271	11, 203, 055	2, 124, 169	7, 181, 000	70, 384, 783	57, 491, 829	11, 231, 112	1, 661, 842		
July	77, 749, 288	57, 575, 366	11, 116, 329	2, 101, 593	6, 956, 000	70, 432, 563	57, 649, 652	11, 143, 257	1, 639, 654		

¹ Partly estimated and subject to revision. For monthly data January 1933-December 1941, see the *Bulletin*, February 1943, pp. 23-26; for 1942-43 data, see the *Bulletin*, February 1944, p. 27; for definitions of terms, see the September 1941 issue, pp. 50-51.

² Excludes estimated increase in payments due to change in payment dates for old-age assistance and aid to the blind in Baltimore, Md.; for aid to dependent children in Baltimore, Md., and New York City; and for general assistance in New York City.

bama, Connecticut, Florida, Kentucky, and Mississippi) reported increases. Total payments were 0.8 percent smaller, but the average payment increased \$0.40 to \$43.48. The range among the States in average payments was from \$21.01 in Texas to \$82.72 in Washington.

Payments to dependent children in Mississippi were about one-fourth greater than in June, with the average jumping from \$20.92 to \$25.59. In Florida, 5.4 percent more families were aided and payments increased 6.6 percent. Wyoming aided 5.1 percent fewer families and expended 5.8 percent less in assistance.

Aid to the blind.—Decreases in recipients (1.5 percent) and payments (1.0 percent) in July were the largest in recent years. They were mainly due to decreases in Illinois of 15 percent in recipients and 13 percent in payments resulting from the termination July 1 of a pension program that has been replaced by the State-Federal assistance program. If Illinois is excluded, the changes from June were slight. Average payments ranged among the States from \$12.88

in Kentucky to \$47.52 in California.

Payments in Mississippi were 42 percent more than in June; recipients increased 1.6 percent and the average payment rose from \$11.64 to \$16.30. In Arizona, recipients increased 6.7 percent, and payments, 8.4 percent. In Alabama, payments increased 5.6 percent, raising the average payment from \$15.95 to \$16.77.

General assistance.—Cases were 1.3 percent fewer in July and payments dropped 3.1 percent, lowering the average payment from \$27.84 to \$27.32. An increase of 40 percent in cases in Washington, due to supplementation of old-age assistance payments, prevented a drop in cases for the country more nearly equal to the drop in payments. Because the amount of supplementation in Washington may not exceed \$5 per old-age assistance recipient, total payments in that State increased only 3.9 percent and the average payment dropped from \$36.39 to \$26.97.

In Nevada there were increases of 34 percent in cases and 18 percent in payments. In Louisiana, cases

decreased 1.6 percent and payments 25 percent, lowering the average payment from \$21.91 to \$16.80. Cases decreased 15 percent and payments 7.9 percent in South Dakota.

Chart 2.—Recipients of public assistance in the continental United States, January 1939-July 1944

MILLIONS OF RECIPIENTS

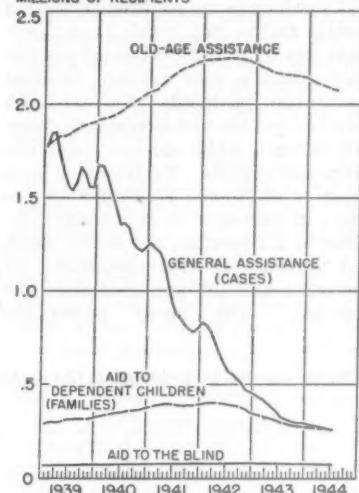


Table 2.—Old-age assistance: Recipients and payments to recipients, by State, July 1944¹

State	Number of recipients	Payments to recipients		Percentage change from—				State	Number of recipients	Payments to recipients		Percentage change from—					
		Total amount	Average	June 1944 in—		July 1943 in—				Total amount	Average	June 1944 in—		July 1943 in—			
				Number	Amount	Number	Amount					Number	Amount	Number	Amount		
Total ²	2,080,827	\$57,649,652	\$27.71	-0.3	+0.3	-3.9	+4.8	Mo.	103,106	\$2,286,820	\$22.21	-0.3	+0.5	-4.2	+4.2		
Ala.	29,547	481,846	16.31	+3.0	+6.2	+33.5	+102.3	Mont.	11,100	323,842	29.17	-6	-3	-6.0	+7.8		
Alaska	1,383	44,350	32.07	-1	-1.1	-4.8	-1.5	Nebr.	25,099	656,616	26.16	-6	-1	-6.8	+7.0		
Ariz.	9,543	366,812	38.44	+2	+2	+8	+1.7	Nev.	1,980	75,430	38.10	-3	(1)	-2.8	-1.2		
Ark.	27,309	464,496	17.01	+6	+1.4	+4.2	+21.7	N. H.	6,616	182,169	27.53	-5	-9	-4.0	+6.2		
Calif.	187,663	7,444,569	47.22	(1)	+1	+3.6	+3.5	N. J.	25,200	722,436	28.67	-5	+8	-5.2	+7.0		
Colo.	40,878	41,685,520	41.23	-3	+2	-1.3	+12.6	N. Mex.	5,373	173,304	32.25	+1.0	+8	+5.8	+15.4		
Conn.	14,252	401,713	34.50	-1	+7	-8.1	+3.3	N. Y.	107,684	8,559,258	33.05	-5	-4	+4.9	+4.7		
Del.	1,504	21,887	14.55	-1.8	-1.1	-19.2	-12.1	N. C.	33,495	377,721	11.28	-6	+1	-8.6	-3.2		
D. C.	2,705	82,674	30.66	-1.9	+3	-12.5	-3.8	N. Dak.	8,833	267,195	30.25	-2	+5.0	-7.7	+20.2		
Fla.	38,660	939,412	24.28	+3	+1.0	-5.1	+57.0	Ohio	124,300	3,566,036	28.69	-4	(1)	-6.9	-2.8		
Ga.	68,906	756,000	10.97	-2	+2	-1.6	+8.6	Oklahoma	76,951	2,030,655	26.39	-2	+3	-5.4	+16.3		
Hawaii	1,487	29,936	90.13	-3	+7	-1.4	+11.4	Oreg.	19,524	661,305	33.87	+2	+1.8	-4	+19.3		
Idaho	9,918	303,040	80.55	-3	+7	+1.3	+14.5	Pa.	84,902	2,428,630	28.61	-4	+3	-5.4	-3.2		
Ill.	127,051	3,935,873	30.98	-1.4	-1.2	-13.3	-6.6	R. I.	7,197	227,994	31.68	(1)	+4	-1.2	+14.4		
Ind.	58,625	1,419,270	24.21	-8	-5	-9.0	-1.6	S. C.	21,220	292,238	13.77	+8	-1.1	+1.1	+16.7		
Iowa	51,111	1,464,400	28.65	-4	+4	-5.0	+12.4	S. Dak.	13,082	310,290	23.72	-2	+3	-6.1	+4.1		
Kans.	28,468	781,750	27.46	-3	-4	-4.6	+2.8	Tenn.	38,264	633,000	16.54	+5	+7	-1.6	+6.0		
Ky.	54,149	599,496	11.07	-1	+6	+4.1	+11.4	Tex.	171,854	3,670,633	21.36	-1.2	-9	-5.5	-6		
La.	36,598	816,503	22.31	-6	-5	-2.3	+8.7	Utah	13,204	485,633	36.78	6	-4	-3.8	+4		
Maine	15,107	412,386	27.30	-2	+1.4	-3.6	+16.1	Vt.	5,225	106,908	20.44	-3	+1.7	-3.6	+4.4		
Md.	12,298	317,758	25.84	-8	+3	-11.1	+5.1	Va.	16,103	203,161	12.62	-5	+1.4	-9.0	+3.8		
Mass.	75,960	3,036,605	39.96	+5	+7	-7.4	+5.1	Wash.	60,040	2,261,428	37.67	-1	(1)	-3.0	+1.4		
Mich.	85,488	2,504,810	29.30	-2	+3	-2.8	+2.9	W. Va.	18,450	331,276	17.96	(1)	+8	-2.0	+30.3		
Minn.	57,176	1,632,674	28.56	-4	+1	-5.2	+4.5	Wis.	47,051	1,297,612	27.58	-6	-1	-6.2	+1.1		
Miss.	25,902	377,677	14.68	+3.0	+40.7	+0.5	+63.8	Wyo.	3,218	103,706	32.23	-9	-1.2	-6.1	-2.9		

¹ For definitions of terms, see the *Bulletin*, September 1941, pp. 50-51.

² All 51 States have plans approved by Social Security Board.

³ Increase of less than 0.05 percent.

⁴ Includes \$92,219 for payments to 2,223 recipients aged 60 but under 65 years.

⁵ Decrease of less than 0.05 percent.

Table 3.—General assistance: Cases and payments to cases, by State, July 1944¹

State	Number of cases	Payments to cases		Percentage change from—			
		Total amount	Average	June 1944 in—		July 1943 in—	
				Number	Amount	Number	Amount
Total ²	255,000	\$6,976,000	\$27.32	-1.3	-3.1	-22.0	-18.7
Ala.	2,817	40,496	14.38	+3.6	+7.3	+23.5	+65.4
Alaska	112	3,492	31.18	-8.9	-1.3	+7.7	+12.7
Ariz.	2,152	63,394	29.46	-2.8	-3.9	+1.2	+16.0
Ark.	2,889	31,467	10.89	+1.2	+2.5	-4.1	+27.6
Calif.	11,092	379,565	32.24	-5	+3.0	-16.4	-3.0
Colo.	4,641	132,965	28.65	-1.4	-2.5	+9	+27.2
Conn.	2,522	76,211	30.38	-2.7	-4	+21.5	-18.2
Del.	327	7,449	22.78	+1.2	+3.0	-8.7	-1.7
D. C.	829	25,420	32.28	0	+3.4	-10.4	+32.9
Fla.	4,500	42,000					
Ga.	2,693	28,314	10.51	-1.5	-3.7	-17.1	-8.3
Hawaii	578	16,666	28.83	-1.2	-1.4	-3.5	+14.9
Idaho	595	11,640	19.56	-1.3	+2	-20.1	-0.9
Ill.	27,361	872,773	31.90	-3.3	-5.6	-31.2	-21.3
Ind.	5,645	105,237	18.64	-4.0	-1.4	-27.6	-21.6
Iowa	4,543	73,428	16.16	-4.3	-2.4	-31.3	-33.5
Kans.	3,544	94,065	26.54	-2.4	-1.9	-19.0	-4.3
Ky.	4,200	28,000					
La.	6,274	105,422	16.80	-1.6	-24.6	+19.3	+3.9
Maine	1,891	52,305	27.66	-5.1	-4.1	-23.9	-17.8
Md.	4,339	136,222	31.39	-1.0	-7	-7.4	+14.7
Mass.	13,023	386,051	29.64	-1.1	-6	-21.2	-17.0
Mich.	9,866	281,044	28.49	-1.7	-4.4	-24.5	-19.0
Minn.	5,766	135,430	28.49	-4.7	-9.7	-28.0	-25.3
Miss.	337	2,346	6.96	-3	-3.5	-25.6	-19.4
Mo.	7,071	177,414	25.09	(*)	-2	+6.0	+58.6
Mont.	1,191	27,212	22.85	+1.6	-3	-9.3	+7.8
Nebr.	1,735	26,914	17.24	-4.0	-1.7	-17.5	-9.0
Nev.	304	4,223	13.89	+33.0	+18.0	-9.0	-16.9
N. H.	1,360	34,904	25.60	-3.0	-3.3	-23.8	-20.2
N. J.	5,223	156,443	29.95	-4.9	-5.9	-41.4	-33.4
N. Mex.	885	11,356	12.83	-3	+4.0	-24.0	-33.2
N. Y.	41,037	1,700,156	43.62	-2.9	-3.2	-39.5	-25.8
N. C.	2,302	21,900	0.55	-3.2	-8	-15.1	-4.3
N. Dak.	710	14,844	20.91	+1.9	+3.6	-31.5	-22.4
Ohio.	11,377	294,594	25.89	-3.0	-2.7	-21.0	-9.9
Oklahoma	4,949	36,022	(*)	(*)	(*)	+41.8	
Oreg.	3,134	113,316	36.16	-4	-6	+10.9	+30.6
Pa.	22,413	484,247	21.61	-2.5	-3.8	-24.2	-29.5
R. I.	1,795	59,960	33.35	+1.6	+1.4	-5.2	-9.4
S. C.	2,736	29,756	10.88	+1.3	+5.4	+13.0	+37.4
S. Dak.	813	16,309	20.06	-15.2	-7.9	-32.4	-22.8
Tenn.	4,200	9,000					
Tex.	4,200	42,000					
Utah	1,450	56,920	39.26	-1.0	-2.0	-14.3	+4.2
Vt.	914	19,732	21.59	-4.2	+4.9	-7.5	-5
Va.	3,275	47,142	14.39	-7.0	-7.3	-10.3	+8.0
Wash.	8,617	232,426	26.97	+40.2	+3.9	+49.5	+19.1
W. Va.	4,672	86,038	18.42	+4	+1.6	+81.4	+216.5
Wis.	5,044	112,892	22.38	-5.5	-9.0	-30.5	-26.9
Wyo.	353	9,536	27.01	-1.7	-8	-21.7	-1.3

¹ For definitions of terms, see the *Bulletin*, September 1941, pp. 50-51.² Partly estimated; does not represent sum of State figures, because total excludes estimated number of cases and payments for medical care, hospitalization, and burial only in Indiana and New Jersey, and estimated duplication of cases in Oklahoma.³ State program only; excludes program administered by local officials.⁴ Estimated.⁵ Excludes assistance in kind and cases receiving assistance in kind only and, for a few counties, cash payments and cases receiving cash payments. Amount of payments shown represents approximately 60 percent of total.⁶ Includes unknown number of cases receiving medical care, hospitalization, and burial only, and total payments for these services.⁷ Decrease of less than 0.05 percent.⁸ Includes cases receiving medical care only; number believed by State agency to be insignificant.⁹ Represents 2,091 cases aided by county commissioners, and 2,858 cases aided under program administered by State Board of Public Welfare; amount of duplication believed to be large; average per case and percentage change in number of cases cannot be computed.Table 4.—Aid to the blind: Recipients and payments to recipients, by State, July 1944¹

State	Number of recipients	Payments to recipients		Percentage change from—			
		Total amount	Average	June 1944 in—		July 1943 in—	
				Number	Amount	Number	Amount
Total	72,805	\$2,103,035	\$28.89	-1.5	-1.0	-5.8	(*)
Total, 46 States ²	56,849	1,639,654	28.84	-1.8	-1.2	+6.1	+17.0
Ala.	718	12,042	16.77	+4	+5.6	+10.3	+61.4
Ariz.	399	17,594	44.10	+5.7	+8.4	+1.3	+24.5
Ark.	1,208	23,339	19.32	-4	+1.0	+4	+18.0
Calif.	5,870	278,936	47.52	-1.0	-8	-11.7	-10.8
Colo.	513	18,442	35.95	-1.9	-3.6	-11.4	-7.9
Conn.	167	5,856	35.07	+2.5	+4.4	-2.9	+10.5
D. C.	234	8,428	36.02	-8	+1.8	-15.2	-11.2
Fla.	2,307	59,168	25.65	-1	+1.9	-6.0	+54.0
Ga.	2,142	29,743	13.89	(*)	+3	-1.9	+5.7
Hawaii	63	1,442	22.89	(*)	(*)	(*)	(*)
Idaho	221	7,141	32.31	-5	-1.8	-9.8	+3.6
Ill.	5,136	165,184	30.16	-14.5	-13.4	-28.8	-25.7
Ind.	2,219	68,122	30.70	-1.0	-1.0	-5.7	+1.3
Iowa	1,349	43,368	32.15	-8	-2	-0.6	-5.8
Kans.	1,117	32,974	29.52	-9	-1.0	-7.8	-6
Ky.	1,589	20,462	12.88	+5	+1.7	+35.1	+43.0
La.	1,456	38,845	26.68	-1.4	-2.3	-4	+10.0
Maine	859	24,250	28.23	-1	+1.2	-10.5	+4.1
Md.	451	13,259	29.40	-1.7	-8	-10.2	+4.0
Mass.	934	38,588	41.31	-6	-7	-4.7	+4.9
Mich.	1,272	42,186	33.17	+2	+3	-2.4	+6
Minn.	947	32,737	34.57	+2	+2.1	-4.2	+6.8
Miss.	1,365	22,249	16.30	+1.6	+14.2	+2.2	+54.4
Mo.	3,000	\$77,000					
Mont.	308	9,301	30.20	+3	(*)	-1.0	+10.0
Nebr.	525	13,263	25.26	-1.5	-9	-17.8	-9.9
Nev.	27	1,184	(*)	(*)	(*)	(*)	(*)
N. H.	269	7,520	27.96	+7	+5	-10.6	-1.9
N. J.	547	16,306	29.81	+2	+1.4	-12.5	-3.4
N. Mex.	266	7,764	29.19	+4	-4	+6.0	+4.7
N. Y.	2,877	105,217	36.57	+5	+4	+8.5	+23.3
N. C.	2,268	37,453	16.51	+7	+2.4	+3.0	+8.9
N. Dak.	122	3,615	29.63	-2.4	+9	-6.2	+12.4
Oklahoma	1,900	55,243	29.08	-5	-3	-6.3	+10.7
Oreg.	371	15,618	42.10	-3	+1.9	-6.1	+11.4
Pa.	12,229	585,197	29.79	-2	-1	-3.7	-3.8
R. I.	88	2,582	29.34	(*)	(*)	(*)	(*)
S. C.	870	16,158	18.57	+8	+2.6	+6.7	+35.7
S. Dak.	217	4,698	21.65	+1.9	+2.0	-10.3	+8.8
Tenn.	1,540	31,226	20.28	-1	+4	-2.3	+8.2
Tex.	4,615	111,793	24.22	-1.0	-1.5	+3.9	+4.3
Utah	132	5,354	40.56	+2.3	+1.4	+11.9	+28.1
Vt.	159	4,502	28.31	-6	+1.7	+6.7	-26.6
Va.	965	16,064	16.65	-4	+1.6	-4.1	+13.3
Wash.	643	24,749	38.49	-1.7	-1.5	-18.4	-15.7
W. Va.	822	18,526	22.54	-2	+1.2	-4.2	+31.7
Wis.	1,509	42,002	27.83	-1.0	-8	-11.8	-3.4
Wyo.	123	4,419	35.93	-2.4	-2.6	+8	+4.7

¹ For definitions of terms, see the *Bulletin*, September 1941, pp. 50-51. Figures in italics represent programs administered without Federal participation. Delaware and Alaska do not administer aid to the blind.² Decrease of less than 0.05 percent.³ Total for States with plans approved by Social Security Board. Recent approval of Illinois plan caused unusually large percentage changes in comparison with July 1943 data.⁴ Includes program administered without Federal participation.⁵ Increase of less than 0.05 percent.⁶ Not computed. Average payment not calculated on base of less than 50 recipients; percentage change, on less than 100 recipients.⁷ No approved plan for July 1943; percentage change based on program administered without Federal participation. Program discontinued July 1, 1944, but included with approved plan as base for percentage change from June 1944.⁸ Estimated.

Table 5.—*Aid to dependent children: Recipients and payments to recipients, by State, July 1941¹*

State	Number of recipients		Payments to recipients		Percentage change from—					
	Families	Children	Total amount	Average per family	June 1944 in—			July 1943 in—		
					Number of—		Amount	Number of—		Amount
					Families	Children		Families	Children	
Total ²	256,395	642,242	\$11,147,260	\$43.48	-1.7	-1.6	-0.8	-13.5	-12.0	-3.7
Total, 49 States ^{2,3}	256,282	641,977	11,143,257	43.48	-1.7	-1.6	-0.8	-12.8	-11.3	-3.2
Alabama	4,689	12,785	118,298	25.23	+1.4	+1.3	+4.9	+2.5	+1.4	+35.7
Alaska	37	115	1,980	(6)	(6)	(6)	(6)	(6)	(6)	(6)
Arizona	4,406	4,046	53,867	38.31	-1.3	-1.3	-1.1	-14.4	-13.2	-10.1
Arkansas	4,804	12,633	131,200	27.31	-5	-3	+2.2	-11.9	-9.9	+8.5
California	6,549	16,795	501,151	76.52	-3.3	-2.8	-1.5	-16.3	-13.4	-3.6
Colorado	3,302	9,031	120,124	35.41	-2.2	-2.3	-2.3	-13.4	-11.7	-9.9
Connecticut	1,840	4,702	135,648	73.72	+7	+6	+2.4	-4.1	-3.7	+11.3
Delaware	240	679	13,255	55.23	-1.6	-1.6	-5	-11.1	-4.6	+13.2
District of Columbia	567	1,733	29,715	52.41	-1.6	-1.9	-3	-27.4	-27.1	+3.9
Florida ⁴	3,200	7,806	97,226	29.55	+5.4	+6.4	+6.6	+1.9	+5.1	+14.9
Georgia	3,900	9,757	98,718	24.74	-6	-6	-5	-6.7	-5.6	-3.1
Hawaii	531	1,672	28,980	54.58	-0.2	-4.7	-3.8	-9.4	-10.2	+1.5
Idaho	1,410	3,836	82,542	37.26	-4.3	-4.2	-4.2	-27.8	-27.2	-25.2
Illinois	20,806	49,174	690,383	33.18	-2.1	-1.6	-1.8	-20.4	-17.6	-18.1
Indiana	7,179	16,180	247,776	34.51	+3.0	+2.7	+2.3	-27.7	-25.3	-24.2
Iowa	3,007	7,412	80,740	26.85	-1.3	0	-7	+18.0	+31.2	+60.9
Kansas	3,206	8,126	145,311	45.32	-4.4	-4.3	-5.2	-29.5	-27.8	-23.2
Kentucky ⁵	4,435	11,607	108,039	24.36	+3.9	-6	+3.7	+144.1	+119.5	+127.7
Louisiana	9,534	24,147	387,985	40.69	-4.3	-5.7	-3.2	-19.4	-20.1	-4.4
Maine	1,386	3,943	78,942	56.96	-2.7	-2.1	-2.5	-13.6	-13.4	+2.8
Maryland	2,738	7,785	100,095	36.56	-2.7	-2.8	-3.3	-21.6	-20.9	-16.2
Massachusetts	7,036	17,297	531,448	75.53	-1.8	-1.8	-1.6	-15.0	-15.5	-2.9
Michigan	12,739	30,583	766,034	60.13	-1.1	-8	-9	-14.1	-12.9	-10.0
Minnesota	5,247	13,050	210,975	40.21	-3.8	-2.5	-3.3	-18.8	-17.9	-14.2
Mississippi	2,769	7,006	70,862	25.59	+6	+5	+23.1	+6.5	+5.5	+32.6
Missouri	10,941	27,169	360,166	32.92	-8	-4	-6	-8.5	-4.9	-5.1
Montana	1,393	3,472	46,860	33.64	-2.5	-3.2	-2.9	-20.4	-20.8	-17.8
Nebraska	2,639	6,126	85,783	32.51	-3.6	-3.5	-3.6	-26.2	-25.3	-25.3
Nevada	76	1,650	2,052	27.00	(6)	(6)	(6)	-9.0	-30.9	-13.0
New Hampshire	683	1,726	37,149	54.39	-7	-7	-1.1	-10.8	-9.5	-6.0
New Jersey	3,718	9,063	181,441	48.80	-3.3	-2.1	-7	-25.0	-21.5	+1.2
New Mexico	2,163	6,284	79,324	36.67	-1.0	-8	-3	-4.3	-3.7	-13.6
New York	18,554	42,758	1,351,723	72.85	-9	-6	-9	-2.2	+5.7	+10.7
North Carolina	6,385	15,565	136,305	21.35	-1.4	-1.2	-6	-17.0	-14.8	-3.5
North Dakota	1,589	4,359	73,037	45.96	-3.0	-3.1	-1.6	-18.6	-20.0	-1.1
Ohio	7,853	21,272	403,248	51.35	-3.7	-2.8	-3.0	-15.4	-14.0	-5.6
Oklahoma	13,500	32,624	458,295	33.95	-3	-3	-3	-10.3	-8.4	+31.3
Oregon	1,180	2,891	86,163	73.02	-1.2	-1.9	-1	-10.0	-8.0	+10.0
Pennsylvania	22,135	58,228	1,214,879	54.88	-2.8	-2.9	+1.9	-23.3	-21.9	-20.4
Rhode Island	1,088	2,844	70,607	64.90	-9	-9	+5	-3.9	-8.3	+1.4
South Carolina	3,433	10,211	70,405	23.13	(10)	+1.6	(11)	-4.6	-3.8	+3.3
South Dakota	1,504	3,515	48,830	32.47	-5	-5	+2	-11.8	-11.6	-2.7
Tennessee	10,867	28,122	335,718	30.89	-1.3	-1.0	-1.3	-11.4	-10.3	+10.0
Texas	10,638	23,274	223,455	21.01	-5	-6	-7	-6.8	-8.3	-8.1
Utah	1,859	4,957	133,192	71.65	-9	-1.0	-7	-5.8	-6.0	+19.0
Vermont	573	1,439	18,826	32.86	-1.9	-3.2	-2.6	-9.9	-12.0	-10.1
Virginia	3,639	10,296	98,147	26.15	-1.5	-1.5	+7	-10.0	-9.7	+5.2
Washington	3,258	8,018	269,489	82.72	-1.1	-1.6	-8	+3	+8	+17.1
West Virginia	6,802	18,759	221,755	32.60	-8	-4	(11)	-19.4	-20.6	+17.4
Wisconsin	6,164	14,949	306,255	49.68	-4.1	-4.1	-3.7	-19.6	-19.1	-10.5
Wyoming	333	882	14,246	42.78	-5.1	-5.2	-5.8	-29.4	-29.2	-22.6

¹ For definitions of terms, see the *Bulletin*, September 1941, pp. 50-51. Figures in italics represent programs administered without Federal participation.

² Includes program administered in Florida under State law without Federal participation. See footnote 5.

³ Total for States with plans approved by Social Security Board.

⁴ Not computed. Average payment not calculated on base of less than 50 families; percentage change, on less than 100 families.

⁵ In addition, in 18 counties payments amounting to \$12,645 were made from local funds without State or Federal participation to 601 families, in behalf of 1,309 children under State mothers' assistance law.

⁶ No approved plan for July 1943. Percentage change based on program administered without Federal participation.

⁷ Includes program administered without Federal participation.

⁸ July 1943 was seventh month of operation under approved plan.

⁹ In addition, in 54 counties payments amounting to \$9,370 were made from local funds without State or Federal participation to 380 families, in behalf of 1,203 children under State mothers'-pension law; some of these families also received aid under approved plan.

¹⁰ Decrease of less than 0.05 percent.

¹¹ Increase of less than 0.05 percent.

Employment Security

Operations in Unemployment Compensation

July activities.—After the normal seasonal upswing in the early months of 1944, benefit payments are again dropping appreciably. July benefits totaled only \$4.3 million, 17 percent less than in June and 22 percent less than a year earlier.

Twelve States, however, reported increases from July 1943. Disbursements in Connecticut, Michigan, and Utah more than doubled. Of the other 9 States, 6 were concentrated in the Rocky Mountain and Pacific Coast areas. The 9 States reporting increases from June payments accounted for less than 12 percent of the total amount disbursed in July.

During the first 7 months of the year, gross benefits paid were one-third less than those during the corresponding months of 1943 and 84 percent below those in January-July 1942.

For the Nation as a whole, the average weekly benefit check of \$15.86 for total unemployment was slightly below the June average (\$16.07) but 13 percent more than the July 1943 figure of \$13.99. State averages ranged from less than \$9 in

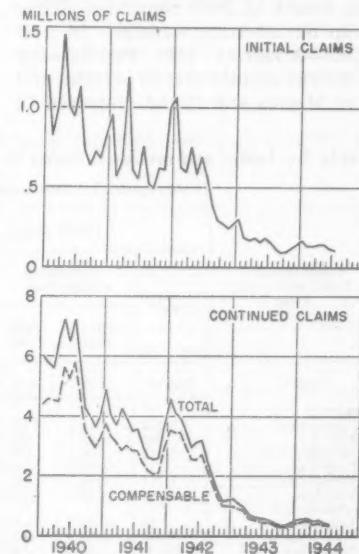
North Carolina and South Dakota to more than \$19 in Connecticut and Hawaii.

A weekly average of about 66,000 beneficiaries received one or more checks during July. This number represents a drop of 16 percent from June and 27 percent from July 1943. Twenty-eight States compensated fewer than 500 per week.

Initial claims continued to decline. The national total—105,000—was 11 percent below the June figure, 66 percent of the number in July 1943, and less than 10 percent of that in July 1940. Relative increases over June of more than 50 percent were reported in Arkansas, Florida, Idaho, New Hampshire, North Carolina, Utah, West Virginia, and Wisconsin. Smaller increases occurred in 18 other States. New benefit years began in July for all eligible claimants in Arkansas and Utah, resulting in an initial-claims increase of 123 percent in Arkansas and 308 percent in Utah, although the absolute number of claims filed in each State was small. In all but 6 States, initial claims were below July 1943 volumes.

Continued claims filed during July were 8 percent below the June and 28 percent below the July 1943 figures. Increases from July 1943 were reported in California, Connecticut, Massachusetts, Michigan, North Dakota, and Utah, where almost 25 per-

Chart 1.—Number of initial and continued claims received in local offices, January 1940-July 1944



cent of all continued claims filed during the month were concentrated. The 3.5 million continued claims filed since January 1 were 38 and 86 percent, respectively, below receipts for corresponding periods of 1943 and 1942.

Funds available for benefits increased for all States during the month, and the total amount at the end of July was a third greater than on July 31, 1943. The net increase in 1944 represents more than \$21 in available funds for each \$1 expended in benefits.

Interstate benefits, January-June 1944.—All 51 jurisdictions participate in the interstate benefit-payment plan which permits workers who move out of the State in which they have earned wages in covered employment to file a claim for benefits in any other State (the "agent" State) and receive their checks directly from the "liable" State.

Widespread migration since 1940, particularly of war workers during the past 2 years, has resulted in a high proportion of out-of-State claims filed in some agent States, and in a high ratio of interstate payments to all payments in liable States in many areas. During the first 6 months of 1944, continued claims filed by out-of-State claimants repre-

Table 1.—Summary of unemployment compensation operations, July and January-July 1944

Item	July 1944		January-July 1944			
	Number or amount	Percentage change from—		Number or amount	Percentage change from—	
		June 1944	July 1943		January-July 1943	January-July 1942
Initial claims ¹	105,361	-10.7	-32.5	942,938	-28.8	-80.6
Continued claims ¹	399,620	-6.2	-27.9	3,509,418	-38.2	-86.2
Waiting period	76,778	-4.7	-33.5	630,935	-37.0	-84.7
Compensable	319,842	-6.6	-26.4	2,878,483	-38.4	-86.5
Weeks compensated	284,620	-15.6	-29.7	2,626,661	-41.5	-87.4
Total unemployment	255,219	-15.6	-29.4	2,368,000	-41.2	-87.7
Part-total unemployment ²	8,371	-24.7	-33.8	78,094	-34.9	-86.9
Partial unemployment ³	20,056	-15.6	-33.4	161,848	-36.7	-85.5
Weekly average beneficiaries	65,680	-15.6	-27.5			
Gross benefits paid	\$4,347,418	-16.8	-21.9	\$39,599,198	-32.9	-84.5
Benefits paid since first payable ⁴	\$2,151,121,347					
Funds available as of July 31 ⁵	\$5,556,688,575	\$+3.1	\$+34.0			

¹ Excludes Hawaii for July; data not reported.

² Excludes New York because data not reported, and Montana and Pennsylvania, which have no provisions for partial and part-total unemployment.

³ Based on 46 States reporting comparable data.

⁴ Adjusted for voided benefit checks. Includes Hawaii through June 30, 1944.

⁵ Hawaii data as of June 30, 1944.

⁶ Based on 50 States reporting comparable data.

sented 10 percent of all continued claims received in local offices. Thirteen States received more than one-fourth of their continued claims from out-of-State workers. In 2 of these—Arkansas and Florida—the ratio was slightly over 50 percent, and New Mexico and Nevada reported 74

and 82 percent, respectively.

Weeks compensated through interstate payments represented 7.3 percent of all weeks compensated. In individual States the ratio ranged from 0.9 percent in Wisconsin to 89.3 percent in Hawaii; the high percentage for Hawaii resulted apparently

from claimants' returning to this country after war projects were completed. Comparable ratios of 10 percent or more obtained in 21 jurisdictions; in 7 of these, interstate payments comprised more than one-fourth of all weeks compensated.

During January-June 1944, 7.4 percent of the total amount of payments went to interstate claimants. One-third or more of all payments in Alaska, Hawaii, Nevada, Virginia, and Wyoming was received by claimants who had left these areas after becoming unemployed. All interstate activities in Alaska and Hawaii were confined to the payment of benefits to workers who returned to the continental United States after establishing benefit rights in the Territories.

Table 2.—Initial and continued claims received in local offices, by State, July 1944

[Data reported by State agencies,¹ corrected to Aug. 24, 1944]

Social Security Board region and State	Initial claims			Continued claims			Compensable
	Total ²	Percentage change from—		New	Total ³	Percentage change from—	
		June 1944	July 1943			June 1944	July 1943
Total ⁴	105,361	-10.7	-32.5		306,620	-6.2	-27.9
Region I:							319,842
Connecticut	3,782	+12.4	+111.5	3,100	9,825	+11.7	+194.9
Maine	997	-29.7	-31.3	682	2,729	-22.5	-33.5
Massachusetts	5,512	-6.1	-12.5	3,723	21,764	+16.0	+10.8
New Hampshire	537	+77.2	+88.8	415	1,237	-7.8	-68.4
Rhode Island	1,711	-36.3	-27.1	1,393	7,511	-19.3	-14.8
Vermont	94	+42.4	+35.8	84	743	-2.5	-7.7
Region II-III:							6,876
Delaware	95	-30.0	-47.2	77	381	-27.4	-70.5
New Jersey	8,197	+20.1	+22.0	5,251	23,754	+12.8	+21.5
New York	20,103	-39.4	-47.0	12,112	72,454	-7.9	-52.4
Pennsylvania ⁵	4,447	-28.4	-28.4	4,447	22,649	+23.3	-35.0
Region IV:							16,633
District of Columbia	241	+31.7	-43.3	224	1,900	-4.4	-17.8
Maryland ⁶	787	-14.1	-31.1	757	5,006	-18.8	-8.0
North Carolina	1,755	+89.3	-44.8	1,660	4,662	-5.6	-43.8
Virginia	475	-49.1	-62.5	430	4,781	+5.1	-54.7
West Virginia	1,959	+70.6	-13.3	1,738	7,700	+25.4	7,318
Region V:							
Kentucky	1,156	-10.2	-21.1	935	7,072	+4.0	-30.4
Michigan	6,114	-9.4	+70.0	4,891	20,671	-17.1	+136.7
Ohio ⁷	2,080	+5.9	-44.3	2,080	5,903	-21.6	-45.8
Region VI:							4,658
Illinois	14,135	-1.7	-34.5	8,511	45,685	-7.6	-32.6
Indiana ⁸	1,205	+7.3	-62.4	1,205	4,585	-24.4	-68.6
Wisconsin	8,411	+145.4	+21.4	(9)	3,892	+4.1	-17.7
Region VII:							2,779
Alabama	903	+28.8	-73.0	777	3,876	-9	-70.0
Florida ⁹	1,856	+64.5	-32.1	1,856	6,015	+14.3	-38.8
Georgia	613	+10.9	-59.7	444	2,613	+5	-71.3
Mississippi	479	-6.4	-36.7	429	2,509	-10.5	-21.3
South Carolina	735	+21.7	-60.5	647	2,897	-2.6	-58.9
Tennessee	2,203	+10.9	-27.1	1,845	13,498	+6.6	-28.5
Region VIII:							12,033
Iowa	406	-19.1	-49.9	405	2,551	-11.2	-50.5
Minnesota	632	+15.3	-52.8	461	2,335	-14.1	-61.5
Nebraska	186	-4.6	-59.8	141	685	-7	-52.2
North Dakota	11	(9)	(9)	9	119	+7.2	+1.7
South Dakota	65	-14.5	-44.4	60	409	-11.5	-13.2
Region IX:							402
Kansas	1,158	+123.1	-57.0	1,154	2,363	+1.8	-62.2
Missouri	478	-12.5	-64.7	398	2,742	-22.7	-60.6
Oklahoma	2,508	-18.1	-29.9	2,273	12,420	-16.9	-19.5
Region X:							10,568
Louisiana	1,361	+21.8	-68.0	1,141	5,400	-1.8	-64.6
New Mexico	88	+35.4	+57.5	43	166	-18.6	-60.5
Texas	1,627	+1.2	-45.6	(9)	8,055	-1.2	-34.7
Region XI:							7,341
Colorado	259	-22.5	-41.4	217	1,516	-16.7	-40.7
Idaho	115	+91.7	-22.3	109	606	+12.6	-21.5
Montana	105	+31.3	-1.9	60	807	-24.0	-10.4
Utah	457	-308.4	+123.0	420	887	+74.6	516
Wyoming	12	(9)	(9)	12	27	(9)	27
Region XII:							
Arizona	229	+23.1	0	193	706	-11.3	-74.0
California	9,078	-10.8	-3.4	5,250	42,855	-23.9	+19.1
Nevada	46	(9)	(9)	33	149	-20.0	-33.2
Oregon	454	+12.1	-26.3	294	1,400	-5.7	-12.5
Washington	588	+8.7	-2.8	312	1,384	+1.0	-15.6
Territories:							1,179
Alaska	3	(9)	(9)	1	101	-68.4	-21.7
Hawaii ¹⁰							97

¹ Except claims taken by U. S. Employment Service personnel, which are reported by War Manpower Commission.

² Includes additional claims, except in Florida, Indiana, Maryland, Ohio, Pennsylvania.

³ Includes waiting-period claims.

⁴ Excludes Hawaii; data not reported.

⁵ State procedures do not provide for filing additional claims.

⁶ Excludes all claims for partial unemployment.

⁷ Data not comparable.

⁸ Not computed, because fewer than 50 claims were reported in either or both periods.

⁹ Data not available.

Employment Service Operations *

Labor-Market Developments

The civilian labor force reached 55 million in July, the largest number this year though less than in July 1943. The net gain of 780,000 workers from June to July was almost as large as in 1943 and larger than in 1941 and 1942, though the nonworker labor reserve was well below the level of previous years. The number of women in the labor force reached a new high of 19.1 million. The number of unemployed persons, estimated at 1 million, showed no change from June.

Nonagricultural employment increased by about 700,000, and some 100,000 more persons were working in agriculture. On July 1, however, farm employment was 3 percent less than it was a year earlier and about 9 percent below the 1935-39 average. The greatest decrease was among hired farm workers, estimated at 2.7 million persons—8 percent less than a year earlier and 13 percent below the 1935-39 average. The Pacific region showed a slight increase from the number in July 1943, but all other areas reported decreases, amounting to as much as 15 and 16 percent in the South Atlantic and East South

* Data from Reports and Analysis Service, War Manpower Commission, and from published releases of other Government agencies.

Central regions. Unpaid family workers, estimated at 8.6 million on July 1, were 2 percent less than on July 1, 1943; only the East North Central and Pacific regions reported any increase.

The record number of 19.1 million

women in the labor force represents almost a half million more than in July 1943 and an increase of more than 5 million from the number in July 1940, before the defense program got under way. From a sample survey for February 1944, the Bureau of

the Census has estimated that three-fifths of the additional women workers who entered the labor force between March 1940 and February 1944 were 35 years or older—the great majority of them married, with husbands living at home and, in most cases, also

Table 3.—Number of beneficiaries, number of weeks compensated, and amount of benefits paid, July 1944, and funds available for benefits as of July 31, 1944, by State

[Data reported by State agencies, corrected to Aug. 25, 1944]

Social Security Board region and State	Beneficiaries		Weeks compensated for specified types of unemployment				Benefits paid ¹		Funds available for benefits as of July 31, 1944 ²		
	Average weekly number ³	Percentage change from—		All types	Total	Part-total ⁴	Partial ⁵	Amount	Percentage change from—		
		June 1944	July 1943						June 1944	July 1943	
Total	65,680	-15.6	-27.5	284,620	255,219	8,371	20,056	\$4,347,418	-16.8	-21.9	\$5,556,688,575
Region I:											
Connecticut	1,591	+17.5	+144.0	6,805	6,566	158	171	129,711	+22.0	+189.7	146,297,711
Maine	452	-22.1	-38.2	1,958	1,485	106	867	19,769	-18.6	-30.7	29,240,287
Massachusetts	3,431	-10.6	+1.0	14,968	13,271	101	1,496	228,850	-9.5	-22.5	188,986,928
New Hampshire	157	-38.2	-77.3	682	583	2	127	7,007	-35.6	-75.3	18,190,767
Rhode Island	1,595	-23.2	-23.2	6,912	5,934	0	978	105,959	-24.2	-19.0	57,256,739
Vermont	142	-4.7	+7.7	615	600	7	8	7,794	-4.8	+12.4	10,246,027
Region II-III:											
Delaware	84	-25.0	-66.9	365	304	4	57	8,900	-10.4	-57.4	13,380,849
New Jersey	3,859	-15.2	-30.1	16,721	14,707	33	1,061	259,861	-13.5	-28.5	200,610,887
New York	11,236	-11.5	-25.0	48,691	47,717	(*)	(*)	765,575	-13.6	-25.0	737,874,761
Pennsylvania	3,000	+59.2	+42.7	13,030	13,030	(*)	(*)	194,661	+55.5	+45.0	520,344,965
Region IV:											
District of Columbia	401	-10.3	-19.8	1,739	1,686	43	10	30,082	-10.8	-11.6	40,767,658
Maryland	1,150	-19.5	-3.0	4,985	3,702	47	1,236	77,314	-21.4	+17.2	102,085,113
North Carolina	582	-16.9	-46.2	2,520	2,225	16	279	20,429	-6.8	-45.5	42,572,063
Virginia	1,004	+10.0	-57.9	4,351	3,998	103	160	41,104	+6.3	-61.8	55,986,940
West Virginia	1,011	-6.6	-44.0	4,381	3,619	0	762	63,841	-5.6	-51.7	57,365,345
Region V:											
Kentucky	1,111	+4.6	-26.8	4,813	4,140	326	347	43,896	+1.5	-27.4	71,637,701
Michigan	4,105	-23.2	+126.8	17,700	17,535	127	128	335,541	-22.6	+150.4	245,557,960
Ohio	951	-34.5	-40.9	4,122	3,832	61	229	57,970	-35.6	-23.6	392,782,137
Region VI:											
Illinois	8,520	-18.2	-41.0	36,919	30,091	2,419	4,400	600,195	-20.6	-34.6	428,733,688
Indiana	957	-27.0	-65.6	4,146	3,764	66	316	61,606	-26.6	-65.2	150,026,703
Wisconsin	448	-38.1	-39.0	1,940	1,656	80	204	25,664	-40.2	-31.5	140,133,904
Region VII:											
Alabama	747	-2.7	-64.5	3,237	3,176	49	13	33,568	-3.9	-66.3	55,202,239
Florida	873	+18.5	-53.2	3,784	3,574	130	80	45,794	+15.2	-20.8	41,821,752
Georgia	421	-8.3	-73.4	1,829	1,720	12	91	18,266	-9.9	-70.3	63,020,026
Mississippi	267	-14.1	-55.4	1,158	789	17	332	11,177	-10.1	-40.2	19,173,232
South Carolina	284	-7.2	-53.4	1,230	1,168	22	40	13,291	-6.5	-50.8	31,470,219
Tennessee	2,169	-10.7	-32.4	9,401	9,132	151	88	105,422	-11.1	-28.9	62,076,843
Region VIII:											
Iowa	421	+2.9	-48.0	1,823	1,666	105	52	20,813	+8.2	-44.7	47,345,155
Minnesota	383	-24.0	-66.9	1,660	1,477	113	70	22,458	-22.0	-63.9	64,981,134
Nebraska	142	-1.4	-41.1	617	582	10	25	6,966	+2.3	-40.7	20,842,377
North Dakota	14	(*)	(*)	60	20	9	31	607	-24.9	-11.0	4,185,335
South Dakota	13	(*)	(*)	56	51	2	466	-50.7	-79.1	5,633,025	
Region IX:											
Arkansas	180	-15.9	-64.6	780	763	16	1	8,826	-16.8	-62.8	23,062,747
Kansas	506	-29.4	-61.9	2,192	2,057	103	27	28,194	-30.6	-63.8	42,577,551
Missouri	2,118	-24.6	-1.3	0,180	5,532	184	464	135,712	-20.1	+6.6	131,334,169
Oklahoma	286	-37.0	-40.9	1,241	1,124	93	24	17,559	-37.5	-40.4	39,525,284
Region X:											
Louisiana	758	-1.3	-63.4	3,284	2,934	65	285	44,048	-2.7	-52.1	60,264,890
New Mexico	13	(*)	(*)	54	51	3	0	626	-0.7	-50.9	7,882,884
Texas	592	-19.0	-37.6	2,564	2,426	138	0	20,385	-18.2	-33.5	128,390,586
Region XI:											
Colorado	236	-17.2	-25.8	1,022	884	23	115	12,923	-16.4	-33.0	28,368,072
Idaho	71	-46.2	-33.0	206	200	16	0	2,019	-43.0	-51.6	11,254,685
Montana	87	-34.6	+1.2	375	375	(*)	(*)	4,453	-35.9	+28.9	14,522,505
Utah	92	-30.3	+84.0	398	371	20	7	7,228	-28.5	+120.9	20,578,291
Wyoming	2	(*)	(*)	10	4	0	6	159	-9.1	-32.6	6,481,057
Region XII:											
Arizona	83	-22.9	+29.7	358	339	19	0	5,011	-22.8	+32.0	15,302,326
California	8,439	-31.5	-17.1	36,570	29,016	3,098	4,456	629,103	-31.1	+34.7	53,884,562
Nevada	32	(*)	(*)	140	120	6	5	1,097	-41.0	-28.7	8,118,799
Oregon	274	+39.8	+5.0	1,186	790	48	348	14,837	+32.8	+28.8	54,919,587
Washington	358	+49.2	+17.0	1,553	1,251	94	205	19,322	+40.4	+16.3	114,627,950
Territories:											
Alaska	20	(*)	(*)	87	87	0	0	1,132	-57.7	+9	5,793,443
Hawaii	4	(*)	(*)	19	17	0	2	538	-39.3	-83.5	4,15,084,768

¹ Computed by dividing all weeks compensated during the month by 414.

² Benefits for partial and part-total unemployment are not provided by State law in Montana and Pennsylvania. New York data not available.

³ Not adjusted for voided benefit checks.

⁴ Represents sum of balances at end of month in State clearing account and benefit-payment account, and in State account in Federal unemployment trust

fund (excluding amount transferred to railroad unemployment insurance account).

⁵ Hawaii data as of June 30, 1944.

⁶ Estimated by State agency.

⁷ Not computed, because fewer than 50 beneficiaries were reported in either or both periods.

working. Of the remaining two-fifths under age 35, the increase was sharpest among unmarried girls under 20 and women between 20 and 35 years of age whose husbands were absent—in the armed forces or civilian work—or who were widowed or divorced.

An estimated 22.4 million women

not in the labor force in that month were not primarily responsible for the care of young children and might therefore be available for employment. Almost four-fifths of them, however, were over age 45 or under 20—age groups in which jobs, particularly in war industries, are hard

to get and may be undesirable. The other 4.8 million, aged 20–45, constitute the real reserve of woman power; yet almost one-fifth of them live on farms and cannot be considered available for industrial jobs in war-production centers.

In July there was a net shortage of about 200,000 workers in war industries such as shipbuilding, ship repair, aircraft production, ordnance, chemicals and petroleum, foundries and forges, logging and lumber, steel production, and construction projects.

In the labor-shortage areas reporting, referrals to essential employment during the week of July 15 increased 20 percent from those in the week ended June 10, as compared with 32 percent in areas with an adequate labor supply. More workers also were referred from labor-surplus to labor-shortage areas.

A War Manpower Commission Industry Associations Committee of 12 members, representing more than 750 industries, was created in July to encourage industries to cooperate in exchange of new discoveries, ideas, and methods that have resulted in reduction of manpower requirements.

All over the country, according to the WMC, thousands of men from military camps are spending their leave working in war production. Some put in their whole leave period; others work for a day, or even a few hours. No attempt has been made to recruit the men in camp, except in certain areas where the needs of food-processing plants have been urgent. The men have volunteered for jobs in a wide variety of activities; they have, for example, worked in stockyards in Denver, loaded ships for the Pacific war theater in San Francisco, re-iced cars of potatoes in Texas, and worked in steel mills in Missouri.

Placement Activities

More than a million nonagricultural placements were made by the U. S. Employment Service in July—12 percent more than in June and 24 percent more than a year earlier. All but 11 States participated in the increase from June and all but 12 States in the increase over the year. South Dakota reported the largest June-July decrease—23 percent—and the District of Columbia the largest increase—75 percent.

Table 4.—Claims received as agent State and weeks of unemployment compensated and amount of benefits paid on interstate claims received as liable State, by State, January-June 1944

Social Security Board region and State	Agent State		Liable State ¹		
	Number of continued claims	Percent of all continued claims	Weeks compensated		Benefits paid
			Number	Percent of all weeks compensated	Amount
Total...	303,924	9.8	170,981	87.3	\$2,611,175
Region I:					
Connecticut	1,586	3.7	5,063	16.6	94,991
Maine	724	3.1	867	4.6	10,939
Massachusetts	6,404	4.4	2,965	3.0	48,192
New Hampshire	1,815	13.0	1,057	9.8	11,313
Rhode Island	1,725	4.3	5,134	12.6	85,801
Vermont	884	19.5	104	3.4	1,421
Region II-III:					
Delaware	511	18.4	528	21.1	8,745
New Jersey	6,882	4.1	9,947	6.9	153,071
New York	18,615	3.9	37,192	10.0	512,576
Pennsylvania	13,955	10.5	5,642	6.5	84,865
Region IV:					
District of Columbia	4,854	20.0	3,580	16.2	63,432
Maryland	1,447	4.7	3,681	12.6	69,665
North Carolina	5,524	12.4	2,030	6.4	20,152
Virginia	2,807	15.3	4,782	26.0	67,417
West Virginia	4,478	11.6	1,848	6.5	27,791
Region V:					
Kentucky	15,846	26.5	2,731	6.9	31,037
Michigan	3,746	2.1	3,617	2.4	68,697
Ohio	4,632	5.6	3,823	6.9	57,166
Region VI:					
Illinois	17,157	5.7	13,544	5.7	222,653
Indiana	4,824	5.7	9,591	12.4	162,623
Wisconsin	3,547	4.1	634	.9	9,799
Region VII:					
Alabama	4,548	17.0	1,989	9.0	26,092
Florida	21,938	52.2	1,306	7.0	18,161
Georgia	4,981	17.3	1,318	6.0	19,417
Mississippi	7,204	41.6	1,093	11.6	13,923
South Carolina	8,182	27.2	508	3.3	6,144
Tennessee	11,096	13.4	4,412	6.9	55,169
Region VIII:					
Iowa	3,494	13.0	481	2.8	6,420
Minnesota	4,040	8.0	664	2.1	9,773
Nebraska	1,154	14.7	1,964	26.5	27,566
North Dakota	355	22.4	36	3.5	415
South Dakota	1,802	42.6	309	12.7	3,191
Region IX:					
Arkansas	12,046	51.5	1,484	13.6	18,796
Kansas	5,684	19.5	7,163	25.9	100,222
Missouri	20,846	18.9	5,614	8.2	83,084
Oklahoma	10,696	30.9	1,384	7.1	20,634
Region X:					
Louisiana	7,385	17.4	1,377	5.4	22,427
New Mexico	1,485	74.0	120	19.2	1,797
Texas	26,684	40.1	1,928	8.7	25,599
Region XI:					
Colorado	2,973	25.5	1,010	14.2	13,620
Idaho	867	18.2	(5)	—	4,282
Montana	977	13.1	437	7.6	5,387
Utah	594	8.2	836	13.2	16,011
Wyoming	137	47.4	47	37.3	701
Region XII:					
Arizona	4,672	42.8	403	9.2	6,934
California	12,114	3.0	12,983	3.8	236,933
Nevada	1,265	81.8	738	47.9	10,810
Oregon	3,443	21.9	1,137	14.5	16,156
Washington	1,119	6.8	1,068	9.0	15,913
Territories:					
Alaska	0	0	523	31.8	7,080
Hawaii	0	0	265	59.3	5,182
					92.7

¹ Liable State is one to which a claim has been forwarded by agent State for disposition.

² Excludes Idaho; data for entire period not available.

³ Based on data for 50 States.

Placements of women were 4 percent less than in June but exceeded those made in any other month. For the first time since December 1942, placements of women were less than one-third of all nonagricultural placements. Placements of nonwhite workers continued to increase in number but remained about the same proportion (18 percent) of all nonagricultural placements.

World War II veterans accounted for 50,000 of the 68,000 nonagricultural placements of veterans in July.

Railroad Unemployment Insurance and Employment Service*

July operations under the railroad unemployment insurance program remained at about the June level. There was little change in employ-

*Prepared by the Office of Director of Research, Railroad Retirement Board, in collaboration with the Bureau of Research and Statistics, Social Security Board.

ment service activities, and the beginning of a new benefit year had only minor effects on the unemployment insurance load.

Employment Service

The new priority referral program inaugurated July 1, which required employers to channel requests for personnel through a public employment service, increased somewhat the number of orders received and openings reported. The ratio of placements to referrals also rose, but the number of placements—85,000—was 1,000 less than in June. Fewer students were available for vacation employment and fewer Mexicans entered the country for railroad work, but placements of women and veterans rose slightly.

Operations under the priority referral system varied considerably in the different War Manpower Commission regions. In some areas, regulations governing the referral of regular male workers resulted in more hirings of women, students, and veterans; in others, priorities were granted to the railroad industry.

Training schools for railroad employees continued to increase both in number and in the variety of skills taught. In addition to schools for telegraphers and train-and-engine service employees, classes in clerical, public relations, and mechanical techniques are becoming more numerous. The feeling is growing that such classes for present employees are helping reduce turn-over.

During July, 4,300 Mexicans entered the United States for work with 16 railroad employers, bringing the total in service to 33,000. To promote more efficient scheduling of trains and to provide for anticipated repatriations, employers are now permitted a maximum of 15 percent in excess of their quotas for not more than 5 weeks in any 9-week period.

Unemployment Insurance

Although a new benefit year began in July, unemployment insurance operations remained at an extremely low level. As each unemployed worker beginning a registration period during the month was required to apply for a certificate of benefit rights based on 1943 earnings, the number of applications increased, but the total was 17

Table 5.—Nonagricultural placements, by State, July 1944

War Manpower Commission region and State	Total		Short-time, number	Women		Nonwhite		
	Number	Percentage change from—		Number	Percent-age change from June 1944	Number	Percent-age change from June 1944 ¹	
		June 1944			June 1944		July 1943	
Total	1,002,515	+12.3	+24.1	78,241	352,114	-4.0	106,804	+18.2
Region I:								
Connecticut	13,267	+5.0	+26.3	206	5,100	-6.2	666	-10.0
Maine	6,615	+19.3	-3.4	583	2,375	+13.1	183	-
Massachusetts	29,291	+16.1	+14.1	154	12,250	+2.7	778	+20.1
New Hampshire	2,714	-3.4	+1.8	39	1,351	+1.9	4	-
Rhode Island	8,408	+1.9	+51.2	4	4,468	+6.3	221	-7.9
Vermont	1,587	+8.8	+86.5	7	616	-19.5	2	-
Region II:								
New York	102,412	+19.0	+27.6	27,780	39,928	-3.8	34,710	+13.4
Region III:								
Delaware	2,703	+25.9	+5.8	2	1,159	+35.7	933	+38.8
New Jersey	35,435	+1.2	+5.3	776	12,965	-4.1	5,107	-9.7
Pennsylvania	55,175	+4.5	+45.4	1,205	17,677	-21.5	7,474	-14.9
Region IV:								
District of Columbia	7,946	+74.8	+133.0	323	4,014	+46.9	5,150	+59.6
Maryland	24,769	+28.4	+19.0	6	10,465	+28.2	8,487	+47.2
North Carolina	25,554	+17.7	+48.9	253	8,786	+5.4	5,088	+46.0
Virginia	26,158	+32.5	+195.7	99	10,225	+29.7	7,732	+25.7
West Virginia	14,590	+12.2	+146.5	171	2,562	-18.4	704	+8.8
Region V:								
Kentucky	19,367	+29.3	+38.1	57	5,840	+17.3	2,183	-7
Michigan	34,074	+16.8	+8.0	887	9,653	-7.9	4,916	+38.5
Ohio	66,086	-14.3	+3.6	7,780	23,008	-24.3	11,918	-5.5
Region VI:								
Illinois	56,226	+21.1	+109.5	5,135	13,141	-4.0	6,569	+57.7
Indiana	28,741	+6.5	+24.6	1,678	9,366	-1.5	2,956	+26.3
Wisconsin	24,519	+29.2	+20.0	646	9,072	+17.7	563	+32.2
Region VII:								
Alabama	26,194	+22.3	+47.7	126	6,870	-16.0	7,888	+14.0
Florida	18,456	+8.1	-11.0	1,035	6,162	-3.7	5,323	+7.4
Georgia	29,358	+9.8	+27.8	73	10,373	-3.3	6,320	+7.0
Mississippi	13,973	+18.0	+19.6	55	4,007	-4.9	5,549	+48.9
South Carolina	15,180	+71.5	+58.8	61	5,206	+52.5	4,346	+71.2
Tennessee	28,649	+19.3	+118.1	73	7,700	+1.9	6,782	+32.3
Region VIII:								
Iowa	15,127	-5.1	+34.4	306	5,673	-14.0	418	+3.7
Minnesota	17,345	-10.9	-23.8	2,732	5,263	-23.2	2,000	-2.9
Nebraska	7,500	+13.1	+5.8	513	2,102	-3.7	459	+114.5
North Dakota	1,869	-21.6	-3.7	307	416	-31.6	68	-20.0
South Dakota	1,976	-22.4	-10.5	464	616	-17.3	110	-5.2
Region IX:								
Arkansas	11,722	+57.2	+10.4	414	2,949	+8.5	3,022	+60.7
Kansas	12,218	+28.0	-6.2	737	4,288	-4.0	1,708	+34.5
Missouri	25,382	+2.5	-8.7	241	7,441	-33.6	3,904	+6.9
Oklahoma	16,673	+42.3	+85.3	678	3,327	-14.7	1,772	+32.9
Region X:								
Louisiana	11,402	+6.1	+89.1	129	2,042	-33.4	5,061	+46.9
New Mexico	8,554	+39.4	+27.7	69	528	-17.8	166	+33.9
Texas	67,182	+24.7	+53.4	3,916	14,092	-17.1	18,005	+26.8
Region XI:								
Colorado	9,322	+15.4	+77.5	1,048	2,627	+22.0	298	+64.6
Idaho	3,876	+22.0	+38.5	246	881	+19.2	176	-
Montana	3,347	+8.2	+47.6	207	472	+18.6	201	+105.6
Utah	9,630	+64.6	+32.5	91	3,267	+97.6	554	+62.0
Wyoming	1,530	+12.5	+23.3	45	418	+28.6	49	-
Region XII:								
Arizona	4,856	-6.3	+13.5	84	1,513	-0.3	688	-24.1
California	103,014	+18.3	+21.5	10,479	35,968	+6.4	9,553	+2.8
Nevada	2,640	-4	-34.6	407	602	-2	286	-15.0
Oregon	17,116	-2.0	-12.0	1,274	5,146	+19.4	1,104	+60.9
Washington	22,402	-11.8	-14.9	4,631	8,169	-14.7	3,241	-25.4

¹ Computed only for States reporting 50 or more nonwhite placements in both months.

percent less than in July 1943. About two-thirds of the applications were filed in the New York, Atlanta, Chicago, and Kansas City regions.

The number of claims also increased somewhat. A relatively large proportion were currently determined to be noncompensable because of insufficient base-year earnings or too few days of unemployment to constitute a compensable first registration period. For other claims, additional information was required before a determination could be made. The number and amount of certifications in July were about one-fifth below the June level. In each region there were fewer payments than in the preceding month or in July 1943. As in other recent months, more payments were made to unemployed trainmen and engineers than to any other group.

About two-thirds of the initial certifications were for unemployment periods begun in July. The average payment for these certifications was almost the same as the average for initial payments in June. The average payment for the other initial claims certified in July, however, was \$1.49 more than the June average. All but a few of the subsequent payments were for unemployment in the preceding benefit year. These payments averaged \$1.22 more than the corresponding June average.

Accounts for 340 workers were opened during the month, while 30 received payments which exhausted their benefit rights for 1943-44.

Table 7.—Railroad unemployment insurance: Number of certifications, average payment, and average number of compensable days, benefit years 1943-44 and 1944-45, by month¹

Type of certification and period	All certifications				Percent of certifications with specified days of unemployment ²			
	Number	Average payment	Average daily benefit	Average compensable days	Total	14 days	8-13 days	5-7 days
1943-44³								
Certifications for first registration period:								
July 1943	304	\$15.94	\$3.17	5.97	100.0	69.4	30.6	-----
August	551	20.35	3.44	5.92	100.0	66.1	33.9	-----
September	341	20.62	3.33	6.16	100.0	72.4	27.6	-----
October	297	19.78	3.32	5.95	100.0	65.3	34.7	-----
November	293	19.47	3.30	5.90	100.0	66.2	33.8	-----
December	444	20.94	3.39	6.18	100.0	73.6	26.4	-----
January 1944	904	19.21	3.27	5.87	100.0	52.7	47.3	-----
February	434	19.27	3.21	6.01	100.0	67.7	32.3	-----
March	353	20.64	3.41	6.05	100.0	68.3	31.7	-----
April	224	21.93	3.51	6.25	100.0	73.7	26.3	-----
May	175	21.96	3.57	6.16	100.0	74.3	25.7	-----
June	154	21.26	3.49	6.08	100.0	72.1	27.9	-----
July	119	22.75	3.70	6.15	100.0	71.4	28.6	-----
Certifications for subsequent registration periods:								
July 1943	21	27.64	2.86	9.67	100.0	90.5	0.5	0.0
August	968	29.75	3.32	8.96	100.0	74.6	19.8	5.6
September	1,239	29.14	3.28	8.88	100.0	71.9	22.3	4.8
October	1,208	28.29	3.32	8.52	100.0	67.5	23.8	8.7
November	1,254	28.60	3.27	8.75	100.0	70.3	23.6	6.1
December	1,242	20.44	3.25	8.14	100.0	61.5	24.9	13.6
January 1944	2,012	28.42	3.25	8.75	100.0	71.8	21.6	6.6
February	2,081	28.24	3.16	8.94	100.0	75.4	18.4	6.2
March	2,511	28.67	3.23	8.88	100.0	73.2	21.0	5.8
April	1,624	26.62	3.19	8.35	100.0	63.6	27.8	8.6
May	992	27.36	3.23	8.47	100.0	69.3	20.1	10.6
June	805	27.91	3.29	8.48	100.0	67.4	23.0	9.6
July	450	29.13	3.49	8.35	100.0	66.7	21.3	12.0
1944-45³								
Certifications for first registration period:								
July 1944	219	21.28	3.31	6.44	100.0	82.2	17.8	-----
Certifications for subsequent registration periods:								
July 1944	7	25.46	2.62	9.71	100.0	71.4	28.6	0

¹ Data cover only certifications for unemployment in the specified benefit year. Data for initial certifications in all months and subsequent certifications in July of both 1943 and 1944 are based on a complete tabulation; data for subsequent certifications in other months, except total number of certifications and average payment for all certifications, are based on a 50-percent sample.

² Benefits are payable for each day of unemployment in excess of 7 for first registration period and in excess of 4 for subsequent registration periods.

³ Benefit year 1943-44 ended with the last registration period begun before July 1, 1944, and benefit year 1944-45 commenced with the first registration period begun on or after July 1, 1944.

Table 6.—Railroad unemployment insurance: Placements, applications for certificate of benefit rights received, claims received, and benefit payments certified, by specified period, 1942-45

Period	Place- ments	Applica- tions ¹	Claims	Benefit payments ²		Place- ments	Applica- tions ¹	Claims	Benefit payments ²	
				Number	Amount				Number	Amount
1944-45										
July, total	84,855	854	1,330	772	\$19,872	29,276	1,024	2,034	1,213	\$20,123
1943-44										
July-June	647,361	6,830	27,495	20,858	\$547,041	196,565	21,816	100,826	79,397	\$1,752,768
July	29,276	1,024	2,034	1,213	29,123	15,628	6,642	11,134	7,263	148,236
August	36,090	697	2,006	1,565	40,342	12,922	3,213	12,407	10,268	218,762
September	26,688	449	2,036	1,576	41,951	11,315	1,865	11,566	9,265	203,740
October	29,246	470	1,963	1,452	38,020	9,404	1,293	10,913	8,642	187,418
November	38,322	491	2,111	1,510	39,960	8,097	1,303	8,673	6,989	153,474
December	77,314	1,333	2,813	1,470	37,917	15,493	3,027	9,816	7,355	151,624
January	62,653	714	3,291	2,802	73,724	15,706	1,873	10,914	8,898	198,410
February	58,966	477	3,131	2,463	65,654	15,805	1,772	8,310	6,936	157,914
March	60,855	379	3,244	2,829	78,516	19,179	600	7,184	5,854	139,525
April	71,582	257	2,184	1,828	47,276	17,873	426	5,010	4,170	103,392
May	70,421	276	1,474	1,127	29,538	18,493	380	2,795	2,201	51,547
June	85,948	372	1,208	933	25,020	36,650	422	2,104	1,556	38,725

¹ Includes applications for current and preceding benefit years.

² Net figures adjusted for underpayments and recovery of overpayments.

Amounts are rounded to the nearest dollar and may not add up to totals shown.

Old-Age and Survivors Insurance

Under the Social Security Act

Monthly Benefits in Force and Payments Certified, July 1944

Monthly benefits aggregating nearly \$18.6 million were in force at the end of July for 1,015,600 beneficiaries, the first time that the number has reached a million. During the past 2 years the monthly increase in beneficiaries has averaged about 2 percent.

The total number of monthly benefits awarded in July was 5.3 percent less than in June and 10.8 percent less than in May. Most of the decline was in awards to survivors of deceased workers; the number of awards to retired workers and their wives was only 2.3 percent less than in June.

Almost \$16.4 million was certified during July for monthly payments, and \$1.7 million for lump-sum death payments.

Monthly Benefits for Which Payment Was Withheld as of June 30, 1944

Of the 998,000 monthly benefits in

force at the end of June, payments were being withheld on 152,000, or some 14,000 more than at the end of 1943. In proportion to the total number in force, however, the number in deferred or conditional-payment status had decreased slightly, from 15.5 to 15.2 percent. At the end of December 1943, on the other hand, the relative number of benefits in suspension was greater than it had been at the end of any previous 6-month period. The December 1943-June 1944 decrease occurred in primary and in wife's benefits; all other types increased in relative numbers.

The proportion of monthly benefits with payments withheld for each of the reasons shown in table 2 was about the same as at the end of 1943; 81 percent were being withheld because of employment of the beneficiary, 13 percent because of employment of the primary beneficiary on whose wages the wife's or child's benefit was based, 3 percent because the beneficiary failed to attend school regularly, and 3 percent for other reasons.

Employment of the beneficiary accounted for 98 percent of the primary benefits, 97 percent of the widow's

current benefits, 80 percent of the widow's benefits, and 66 percent of the child's benefits withheld. Employment of the primary beneficiary was the reason for withholding 96 percent of the wife's and 9 percent of the child's benefits. Failure to attend school regularly accounted for 19 percent of the child's benefits withheld. If a child who fails to attend school and is working in covered employment reports both situations simultaneously, his failure to attend school is recorded as the reason for withholding payment. Otherwise the reason reported first is the one recorded. Probably both reasons would apply equally to a large proportion of the children whose payments are withheld for one or the other reason.

Most of the benefits withheld because of employment or failure to attend school are in conditional-payment status, since withholding is for an indefinite period. In a few cases, when the deduction is made retroactively, payments must be withheld for a definite number of months to make up for the earlier months for which payments were not withheld; likewise, under certain conditions, penalty deductions are added for failure to report promptly the employment or other condition necessitating

Table 1.—*Monthly benefits in force¹ in each payment status,² actions effected during the month,³ and payments certified, by type of benefit, July 1944*

[Current month's data corrected to Aug. 15, 1944]

Status of benefit and action	Total		Primary		Wife's		Child's		Widow's		Widow's current		Parent's	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
In force as of June 30, 1944:														
Current-payment status	998,229	\$18,252,457	417,921	\$9,805,734	121,645	\$1,517,354	287,368	\$3,545,892	58,107	\$1,171,475	108,721	\$2,153,432	4,467	\$55,570
Current-payment status	846,303	15,350,875	339,954	8,027,659	103,164	1,297,794	261,806	3,234,191	57,126	1,151,346	79,866	1,582,297	4,387	57,548
Deferred-payment status	4,218	78,384	2,476	53,573	483	5,834	692	8,300	164	3,678	397	6,925	6	74
Conditional-payment status	147,708	2,823,198	75,491	1,724,462	17,998	213,726	24,870	303,401	817	16,451	28,458	564,210	74	948
Suspended	124,943	2,348,879	66,801	1,482,962	15,237	175,841	20,763	251,543	513	10,087	21,562	427,600	67	846
Frozen	22,765	474,319	8,600	241,500	2,761	37,885	4,107	51,858	204	6,364	6,886	136,610	7	102
Actions during July 1944:														
Benefit awarded	24,720	461,368	9,013	223,489	3,170	41,223	7,506	95,560	1,801	36,332	3,124	63,860	107	1,404
Entitlements terminated ⁴	7,294	128,695	2,171	51,757	1,118	13,610	2,416	31,448	217	4,449	1,340	27,019	32	412
Net adjustments ⁵	-83	763	12	381	-2	8	-62	396	-5	-48	-26	20	0	6
In force as of July 31, 1944:														
Current payment status	1,015,582	18,585,893	424,775	9,977,847	123,704	1,544,975	292,396	3,610,400	59,686	1,203,310	110,479	2,189,753	4,542	59,568
Deferred-payment status	857,991	15,599,457	346,011	8,183,739	105,071	1,323,489	262,606	3,239,890	58,637	1,181,842	81,265	1,611,945	4,462	58,552
Conditional-payment status	4,217	77,450	2,492	52,961	486	5,678	642	7,599	168	3,764	423	7,373	6	75
Suspended	153,374	2,908,986	76,272	1,741,174	18,211	215,808	29,148	362,911	881	17,704	28,785	570,475	74	941
Frozen	130,224	2,428,049	67,570	1,499,162	15,432	177,602	24,860	308,655	558	10,921	21,738	430,883	66	828
Payments certified in July ⁶	23,150	480,937	8,702	241,985	2,779	38,206	4,288	54,256	323	6,783	7,050	139,592	8	115
Payments certified in July ⁶		\$18,019,145		8,514,896		1,380,976		3,432,849		1,211,734		1,760,148		62,576

¹ Represents total benefits awarded after adjustment for subsequent changes in number and amount of benefits (see footnote 4) and terminations (see footnote 3), cumulative from January 1940.

² Benefit in current-payment status is subject to no deduction or only to deduction of fixed amount which is less than current month's benefit. Benefit in deferred-payment status is one withheld entirely for a known period. Benefit in conditional-payment status is one withheld entirely for an indefinite period; if previously in current or deferred-payment status, it is a suspended benefit; otherwise it is a frozen benefit.

³ Benefits are terminated when a beneficiary dies or loses entitlement to benefits for the reasons specified in 1939 amendments, sec. 202.

⁴ Adjustments result from operation of maximum and minimum provisions of 1939 amendments, sec. 203 (a) and (b), and from other administrative actions.

⁵ Distribution by type of benefit estimated; includes retroactive payments.

⁶ Includes \$1,654,597 paid as lump-sum benefits under 1939 amendments (payable with respect to workers who died after December 1939, if no survivor could be entitled to monthly benefits for month in which worker died) and \$1,587 paid as lump-sum benefits under 1935 act (payable with respect to workers who died prior to January 1940).

Table 2.—Number and amount of monthly benefits in force in deferred or conditional-payment status,¹ by reason for withholding payment and type of benefit, June 30, 1944

[Corrected to Aug. 2, 1944]

Reason for withholding payment ²	Total		Primary		Wife's		Child's		Widow's		Widow's current		Parent's	
	Number	Monthly amount	Number	Monthly amount	Number	Monthly amount	Number	Monthly amount	Number	Monthly amount	Number	Monthly amount	Number	Monthly amount
All benefits in deferred or conditional-payment status														
Total	151,926	\$2,901,582	77,967	\$1,778,035	18,481	\$219,560	25,562	\$311,701	981	\$20,129	28,855	\$571,135	80	\$1,022
Failure to attend school regularly	4,733	56,350					4,733	56,350						
Employment of beneficiary	122,547	2,528,836	76,387	1,739,752	514	5,639	16,945	213,648	787	15,813	27,881	553,312	54	684
Employment of primary beneficiary on whose wages benefit is based	10,945	233,892			17,653	200,625	2,291	24,255					834	10,036
Failure to have care of an entitled child	10,534	10,036												
Previous payment of lump-sum attainment claim	757	21,608	521	16,745	135	2,290	4	70	91	2,391	3	74	3	38
Payee not determined	864	10,280	54	1,201	8	81	761	8,209	9	189	32	600	0	0
All other	2,546	40,580	1,023	20,337	171	1,925	828	9,169	94	1,736	405	7,113	23	300
Deferred-payment status														
Total	4,218	\$78,384	2,476	\$63,573	483	\$5,834	692	\$8,300	164	\$3,678	397	\$6,925	6	\$74
Employment of beneficiary ³	2,870	50,322	1,034	36,424	23	204	511	6,658	16	243	386	6,732	1	13
Employment of primary beneficiary on whose wages benefit is based ³	432	4,189			321	3,236	110	941						
Previous payment of lump-sum attainment claim	757	21,608	521	16,745	135	2,290	4	70	91	2,391	3	74	3	38
All other	159	2,265	21	404	4	44	67	631	57	1,044	8	119	2	23
Conditional-payment status—suspended														
Total	124,943	\$2,348,679	66,801	\$1,482,962	15,237	\$175,841	20,763	\$251,543	513	\$10,087	21,562	\$427,600	67	\$346
Failure to attend school regularly	3,708	43,745					3,708	43,745					46	560
Employment of beneficiary	100,961	2,058,251	65,759	1,462,178	378	4,036	13,647	171,194	467	9,206	20,664	411,068		
Employment of primary beneficiary on whose wages benefit is based	16,624	190,274			14,687	160,876	1,937	20,396						
Failure to have care of an entitled child	510	9,684										510	9,684	
Payee not determined	856	10,206	54	1,201	8	81	753	8,135	0	189	32	600	0	0
All other	2,284	36,719	988	19,583	164	1,848	718	8,071	37	692	356	6,248	21	277
Conditional-payment status—frozen														
Total	22,765	\$474,319	8,660	\$241,500	2,761	\$37,885	4,107	\$51,858	304	\$6,364	6,896	\$136,610	7	\$102
Failure to attend school regularly	1,025	12,605					1,025	12,605						
Employment of beneficiary	18,716	420,263	8,674	241,150	113	1,339	2,787	35,796	304	6,364	6,831	135,512	7	102
Employment of primary beneficiary on whose wages benefit is based	2,889	39,429			2,645	36,513	244	2,916						
Failure to have care of an entitled child	24	352										24	352	
Payee not determined	8	74	0	0	0	0	8	74	0	0	0	0	0	0
All other	103	1,598	16	350	3	33	43	467	0	0	41	746		

¹ For explanation of each payment status see table 1, footnote 2.

² As provided under secs. 203 and 907 of the amended act except for the reason "payee not determined," in which case benefit payments are accrued pending determination of guardian or other appropriate payee. When more than one reason applies, the case is classified under the first listed reason.

³ Includes benefits withheld as a penalty for failure to report promptly the fact that payments should be withheld.

the deduction. These benefits are shown in deferred-payment status until the correct amount has been withheld.

Under the Railroad Retirement Act *

Retirement operations.—Benefit payments rose slightly in July; the \$11.5 million was almost 3 percent

*Prepared by the Office of Director of Research, Railroad Retirement Board, in collaboration with the Bureau of Research and Statistics, Social Security Board.

above the average for the fiscal year 1943-44, and almost 4 percent more than in July 1943. Total payments increased for all types of monthly benefits except survivor annuities; the increase in pensions was the first since March 1943. The cumulative total of disbursements rose to \$834 million.

Employee annuities.—Annuity applications from present and former railroad employees totaled 1,844, the largest monthly number recorded since July 1943, and 10 percent more than the average for 1943-44. The number of initial certifications—

1,367—was also higher than in June but 9 percent below the 1943-44 average. Deaths of 841 annuitants were reported, slightly more than in June. Through July, a total of 197,000 annuities had been certified, of which 140,000 were still in force at the end of the month at an average monthly rate of \$66.59.

Variations from month to month in the types of annuities certified are slight. During the first 6 months of 1944, 8,626 employee annuities were certified (table 4). Some 3.2 percent of these were for minimum annuities, 1.7 percent for joint and survivor an-

Table 3.—Railroad retirement: Annuities and pensions in force and net benefit payments certified to the Secretary of the Treasury, by class of benefit, July 1944¹

Period and action	Total		Employee annuities		Pensions to former carrier pensioners		Survivor annuities		Death-benefit annuities ²	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
In force June 30, 1944	164,125	\$10,625,434	129,033	\$9,254,429	20,855	\$1,233,617	3,685	\$117,543	552	\$19,843
During July 1944:										
Initial certifications	1,452	96,435	1,367	93,784	3	117	23	656	59	1,876
Terminations by death (deduct)	1,119	70,774	841	56,778	221	12,075	8	341	49	1,578
In force as of July 31, 1944	164,442	10,652,196	139,547	9,292,582	20,637	1,221,701	3,697	117,809	561	20,102
Total payments (net)		\$11,501,702		\$9,577,033		1,220,790		119,336		27,168

¹ For definitions of classes of benefit, see the *Bulletin*, October 1942, p. 25. Data for initial certifications are for period in which payment was certified, not for period in which it began to accrue. Data for terminations by death are for period in which notice of death was received, not for period in which beneficiary died. In-force data represent certifications less terminations by death; they are adjusted for recertifications, reinstatements, and terminations for reasons other than death (suspension, return to service, recovery from disability, commutation to lump-sum payment). Certifications are reported on an accounting-month basis ended

on approximately the 20th, terminations are reported through the 14th-27th, and total payments are on calendar-month basis. Cents omitted.

² In a few cases, payments are made to more than 1 survivor on account of death of 1 individual; such payments are counted as single items. Terminations include those by death and by expiration of 12-month period for which death-benefit annuities are payable; nearly all terminations are of latter type.

³ Includes \$557,374 for lump-sum death benefits.

Table 4.—Railroad retirement: Employee annuity certifications during January-June 1944

Characteristics	Number	Percent
All certifications	8,626	100.0
Type of annuity:		
Age annuities beginning—		
At age 65 or over	6,036	70.0
Under age 65	695	8.1
Disability annuities based on—		
30 years' service	1,347	15.6
Less than 30 years' service	548	6.3
Service credited: ¹		
Both prior and subsequent	8,271	95.9
Prior only	255	3.0
Subsequent only	100	1.1
Status of annuitant on Aug. 29, 1935:		
In active service	7,665	88.9
In employment relation	861	10.0
Not an employee	100	1.1

¹ Subsequent service is measured from Jan. 1, 1937 (Mar. 1, 1936, in the case of annuities certified under the 1935 act).

(Continued from page 2)

of family allowances is the first of the comprehensive social security proposals to be established. It was also the cornerstone of the recommendations made by Leonard C. Marsh in his *Report on Social Security for Canada*, made in February 1943 as research adviser to the Advisory Committee on Reconstruction. Mr. Marsh based his proposals for a Canadian system on the principle of a minimum maintenance income for all members of the population, and he gave special place to a separate program of children's allowances, declaring that "children's needs should be met as a special claim on the nation, not merely in periods of unemployment or on occasions of distress, but at all times."

Canada is the third member of the British Commonwealth to adopt a na-

nuities, 0.2 percent for annuities certified under the 1935 act, and 0.3 percent for annuities based in part on military service.

Pensions.—The three carrier pensioners taken over by the Board during the month were former employees of water-supply companies which were recently ruled covered under the act. Practically speaking, all former carrier pensioners have already been transferred to the Board's rolls but a few are added occasionally as difficult and long-standing questions of coverage are settled.

The 221 pensions terminated by death increased the total number of such terminations to 27,900. At the end of the month, 20,600 pensions were

tional program of family allowances. Cash payments to families in the lower-income brackets are included in New Zealand's social security program, and Australia pays allowances for all children after the first in each family, regardless of the family income. The Canadian system sets no limitations on size or income of the family.

A system of children's allowances was also one of the three basic assumptions underlying the Beveridge proposals for social security in Great Britain. Although the British Government has accepted that assumption in principle, no proposals for Parliamentary action have yet been made.¹ The Liberal Party, however, recently published the proposals of

¹ On September 25 the Government made public its proposed social security program, which includes family allowances.

still in force, at an average monthly payment of \$59.20.

Survivor benefits.—Only 23 survivor annuities were certified during the month. Since terminations by death also remained at a low level—only 8 being recorded—the number in force increased slightly to 3,697. The average monthly amount in force was \$31.87.

Fifty-nine death-benefit annuities were certified and 49 were terminated, leaving 561 in force at an average of \$35.83.

There were 1,396 lump-sum death-benefit certifications, compared with 1,309 in June. The average amount—\$393.19—also was above the June figure but below the high of \$386.04 in April 1944.

Lady Rhys-Williams for correlating dependents' and other social allowances with the general system of national taxation and finance. As was proposed by Marsh and enacted in the Canadian law, Lady Rhys-Williams would divorce the principle of allowances for the dependents of all workers from the insurance principle of benefits based on contributions. Dependents' allowances of £26 a year for every child under age 15 or still at school would be met from direct taxation; social insurance would be restricted to unemployment and disability insurance for workers, to maternity benefits for employed mothers, and to part of the total cost of a free medical service. Under this proposal, the child's allowance would be paid to the mother, although in special cases it might be paid to the father or guardian.

Social and Economic Data

Social Security and Other Income Payments

Income payments to individuals totaled \$13.0 billion in July, approximately the same amount as in June and 8.9 percent more than in July 1943. Social insurance and related payments amounted to \$165 million, 1.3 percent of all income payments to individuals.

Compensation of employees reached \$9.3 billion, 0.9 percent more than in June and 9.0 percent above the level a year earlier. A large portion of the increase from July 1943 in wages and salaries was concentrated in Government pay rolls, which include pay to the armed forces. Mustered-out pay, also included as compensation of employees, amounted to \$8 million in July 1944.

Entrepreneurial income of \$2.4 billion was 4.3 percent less than in June and only 1.5 percent more than in July last year. Dividends and interest increased steadily during the 12 months; the \$935 million reached in July was 11 percent above the amount a year earlier.

Military allowances continued to rise but at a much slower rate than in the earlier months. July allowances of \$226 million were only 0.9 percent higher than June expenditures. July was the third consecutive month in which military allowances made up 1.7 percent of all income payments; in July 1943 they were only 0.7 percent.

Direct relief payments of \$78 million were 1.3 percent more than a year earlier.

Social insurance and related payments, representing 1.3 percent of the July total, were unchanged from the June amount but 17 percent higher than in July 1943, when they accounted for 1.2 percent. The rise in amount over the year was the result of increases in retirement, survivor, and disability payments, including veterans' payments and workmen's compensation, which more than offset the decline in unemployment benefits.

Social Insurance and Related Payments

Payments in July under the social insurance and related programs shown in table 3 remained at the June figure of \$93 million, despite a drop of \$0.9 million in unemployment benefits, and represented 56 percent of all social insurance and related payments as estimated by the Department of Commerce.

Retirement, disability, and survivor payments amounted to \$86 million 1.4 percent more than in June and 23 percent more than in July of last year. Over the 12 months, payments under the social security program to retired workers and their families rose 22 percent, and monthly survivor benefits, 32 percent.

Payments made by the Veterans Administration to disabled or aged veterans rose 33 percent in the same

period, and monthly payments to survivors of veterans increased 24 percent. For both types of payments under the railroad program the increase was less than 4 percent. Payments to retired or disabled Government workers under the programs administered by the Civil Service Commission were 7.4 percent higher than the amount a year earlier.

Retired and disabled beneficiaries received 69 percent and survivors 23 percent of the total payments in July in each year; monthly benefits accounted for a larger proportion of survivor payments this July than last. Unemployment benefits dropped from 7 percent of the total in July 1943 to 5 percent in July 1944, while contributions refunded to former Government workers rose from 1 to 3 percent.

July retirement and disability payments of \$64 million under the four programs were divided among 1.5 million beneficiaries. Monthly benefits

Table 1.—*Income payments to individuals, by specified period, 1936-44*¹

[In millions; data corrected to Sept. 4, 1944]

Calendar year and month	Total ²	Compensation of employees ³	Entrepreneurial income, net rents, and royalties	Dividends and interest	Public aid		Social insurance and related payments ⁴	Military allowances ⁵
					Work relief ⁶	Direct relief ⁷		
1936	\$68,024	\$40,027	\$13,003	\$9,785	\$2,155	\$672	\$955	—
1937	72,365	44,589	14,162	9,891	1,639	836	1,020	—
1938	66,135	40,845	12,369	8,233	2,094	1,008	1,529	—
1939	70,763	43,870	13,441	8,891	1,870	1,071	1,616	—
1940	76,210	48,218	14,313	9,175	1,577	1,088	1,801	—
1941	92,710	60,262	18,599	9,761	1,213	1,112	1,744	—
1942	116,652	70,642	23,933	9,441	586	1,060	1,844	\$136
1943	142,226	100,730	27,699	10,070	58	938	1,703	1,022
1943								
July	11,948	8,485	2,318	\$43	0	77	141	85
August	12,045	8,530	2,348	851	0	77	140	89
September	12,044	8,598	2,274	857	0	78	141	95
October	12,177	8,691	2,301	864	0	78	143	100
November	12,359	8,809	2,346	870	0	78	143	113
December	12,476	8,900	2,337	878	0	79	147	126
1944								
January	12,673	9,003	2,402	885	0	79	149	154
February	12,935	9,168	2,474	932	0	79	150	166
March	12,889	9,104	2,456	940	0	79	150	190
April	12,842	9,074	2,421	908	0	78	161	240
May	12,929	9,096	2,452	917	0	78	166	220
June	13,021	9,170	2,457	926	0	78	165	224
July	13,068	9,251	2,352	935	0	78	165	226

¹ Compensation of employees; entrepreneurial income, net rents, and royalties; and dividends and interest adjusted for seasonal variations.

² Includes veterans' bonus; for totals for years 1936-42 see October 1943 *Bulletin*; July payments were \$1 million.

³ Wage and salary payments minus deductions for employee contributions to social insurance and related programs. Includes industrial pensions, payments to the armed forces, and beginning February 1944, mustering-out pay.

⁴ Earnings of persons employed by NYA, WPA, and CCC. Excludes earnings of persons employed on other Federal agency projects financed from emergency funds; such earnings are included in compensation of employees.

⁵ Payments to recipients under 3 special public assistance programs and general assistance, value of

food stamps issued by Food Distribution Administration under food stamp plan, and subsistence payments certified by Farm Security Administration.

⁶ Payments under programs of old-age and survivors insurance, railroad retirement, Federal, State, and local retirement, veterans' pensions, workmen's compensation, State unemployment compensation, and railroad unemployment insurance.

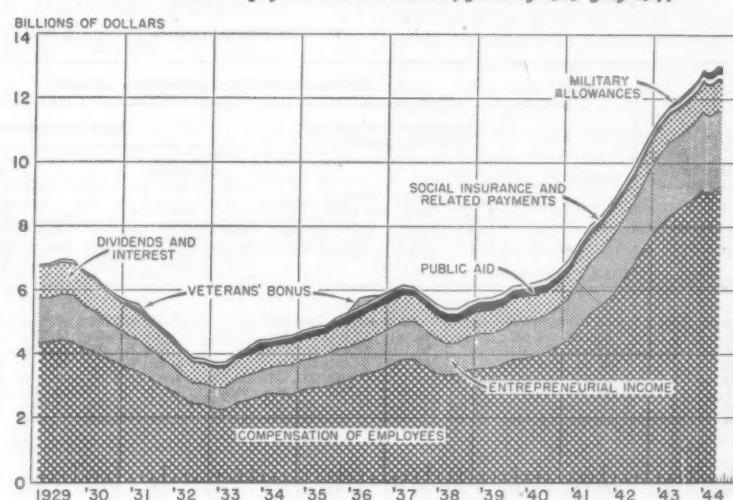
⁷ Government portion of payments to dependents of members of the armed forces; portion deducted from military pay included under compensation of employees as part of military pay rolls. Also includes payments under the emergency maternity and infant care program; July payments were \$2 million.

Source: U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce.

totaling \$18 million were paid to 747,000 survivors; 19,000 survivors received lump-sum payments, which amounted to \$3.1 million. Unemployment insurance benefits of \$4.4 million were paid to 66,000 persons.

The 870,000 beneficiaries who received monthly retirement or survivor payments under the Social Security Act in July represent about 541,000 families. The 244,000 monthly beneficiaries of the railroad and civil-service retirement programs about equal the number of families receiving benefits, because these programs do not provide supplementary payments for wives and children of retired and disabled workers and because monthly benefits are not paid to more than one survivor of a deceased annuitant. About 1.1 million families are represented by the 1.2 million individuals who received monthly payments from the veterans' program.

Chart 1.—Income payments to individuals, January 1929–July 1944



^aMonthly average for each quarter for the period 1929–43; monthly data thereafter.

Source: U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce.

Table 2.—Individuals receiving payments under selected social insurance and related programs, by month, July 1943–July 1944

[In thousands; data corrected to Sept. 2, 1944]

Year and month	Retirement, disability, and survivor beneficiaries										Employees receiving refunds on leaving Federal civil service ^b	Unemployment insurance beneficiaries		
	Monthly retirement and disability beneficiaries				Survivor beneficiaries									
	Social Security Act ^c	Railroad Retirement Act ^d	Civil Service Commission ^e	Veterans Administration ^f	Monthly			Lump-sum ^g						
					Social Security Act ^h	Railroad Retirement Act ^h	Veterans Administration ^h	Social Security Act	Railroad Retirement Act	Civil Service Commission	Veterans Administration			
1943														
July	390.7	156.3	74.7	624.8	307.0	4.0	313.1	10.2	1.4	0.9	3.7	20.9	90.6	0.5
August	393.9	157.1	75.1	627.0	312.4	4.1	313.9	10.2	1.5	.8	2.2	22.8	88.8	.7
September	397.3	157.7	76.5	629.1	321.5	4.1	315.6	10.2	1.5	1.0	3.5	27.5	74.6	.7
October	401.3	158.1	76.0	633.7	329.5	4.1	318.4	10.1	1.2	1.3	3.4	17.3	60.7	.7
November	405.9	158.6	76.6	640.1	336.9	4.1	320.5	10.2	1.2	.8	3.4	18.4	56.4	.7
December	411.4	159.0	76.8	648.6	344.6	4.1	322.7	10.5	1.2	1.4	3.3	25.6	64.4	.7
1944														
January	419.3	158.9	77.5	663.1	352.8	4.1	323.4	11.2	1.0	1.0	3.3	29.8	84.0	1.8
February	427.9	159.2	77.5	687.5	363.1	4.2	325.1	12.2	1.3	1.0	3.5	26.9	104.0	1.2
March	436.0	159.3	77.9	724.6	373.4	4.2	327.0	13.7	1.3	1.0	4.0	43.7	112.0	1.5
April	442.2	159.5	78.5	759.2	382.1	4.2	329.3	12.3	1.4	1.0	4.1	48.3	88.3	.8
May	451.0	159.8	78.7	792.8	391.9	4.2	332.5	13.4	1.5	1.3	4.5	68.6	87.1	.5
June	458.5	159.9	79.2	814.4	399.2	4.2	335.5	12.3	1.3	.5	4.5	48.0	77.9	.4
July	466.7	160.2	79.7	833.9	403.2	4.3	339.0	11.9	1.4	.9	4.4	45.7	65.7	.3

^a Primary beneficiaries and their wives and children for whom benefits were certified.

^b Annuitants and pensioners on roll as of 20th of month; includes disability annuitants.

^c See table 3, footnote 5. Includes persons receiving survivor benefits under joint and survivor elections. Figures not adjusted for suspension of annuities of persons reemployed under National Defense Acts of June 28, 1940, and Jan. 24, 1942.

^d Veterans receiving pensions and compensation.

^e Widows, parents, and children for whom benefits were certified.

^f Widows receiving survivor benefits under joint and survivor elections and next of kin receiving death-benefit annuities for 12 months; number on roll as of 20th of month. Widows receiving both survivor and death-benefit annuities are counted twice, but 2 or more individuals sharing 1 death-benefit annuity are counted as 1.

^g Widows, parents, and children of deceased veterans on whose account payments were made during month.

^h For Social Security Act, deceased wage earners whose survivors received payments under either the 1935 or 1939 act; for Railroad Retirement Act, deceased wage earners whose survivors received payments certified in month ended on 20th calendar day; for Civil Service Commission, employees who died before retirement age and annuitants with unexpired balances whose survivors received payments; for Veterans Administration, survivors or other persons entitled to reimbursement for expenditures in connection with burial of deceased veterans.

ⁱ See table 3, footnote 5, for programs covered.

^j Represents average weekly number of benefit recipients.

^k Represents average number of persons receiving benefits for unemployment in a 14-day registration period.

Table 3.—*Payments under selected social insurance and related programs, by specified period, 1936-44*¹

[In thousands; data corrected to Sept. 2, 1944]

Calendar year and month	Total	Retirement, disability, and survivor payments										Re-funds to employees leaving Federal civil service ⁴	Unemployment insurance payments					
		Monthly retirement and disability payments ²				Survivor payments												
		Monthly		Lump-sum														
		Social Security Act ³	Railroad Retirement Act ⁴	Civil Service Commission ⁵	Veterans Administration ⁶	Social Security Act ⁷	Railroad Retirement Act ⁸	Veterans Administration ⁹	Social Security Act ⁹	Railroad Retirement Act ¹⁰	Civil Service Commission ¹¹	Veterans Administration ¹²						
1936	\$461,760	\$458,765		\$683	\$51,630	\$209,001			\$2	\$99,992			\$4,062	\$3,395	\$2,864	\$131	\$131	
1937	505,143	499,532		40,001	53,604	299,660			444	96,370	\$1,278		4,401	3,684	3,470	2,132	2,132	
1938	972,926	575,814		96,766	56,118	301,277			1,383	101,492	10,478	\$291	4,604	3,405	3,326	399,786	393,786	
1939	1,046,006	608,095		107,282	58,331	307,512			1,451	109,192	13,896	1,926	4,952	3,553	2,846	435,065	429,208	
1940	1,191,907	654,041		621,074	114,166	62,019	317,851		\$7,784	1,448	105,696	11,736	2,497	5,810	3,960	3,277	534,589	55,767
1941	1,090,104	726,631		55,141	119,913	64,933	320,561		1,559	111,790	13,328	3,421	6,170	4,352	4,615	358,858	344,321	15,889
1942	1,137,078	780,369		80,305	122,806	68,115	325,265		41,702	1,603	111,193	15,038	4,114	6,108	4,120	6,357	350,352	344,084
1943	929,416	838,046		97,257	125,795	72,961	331,350		57,763	1,704	116,133	17,830	5,560	7,344	4,350	10,808	80,560	79,643
1943																		
July	76,115	69,702		8,193	10,447	6,067	27,820		4,824	143	9,309	1,418	517	578	367	817	5,595	5,565
August	75,630	69,511		8,262	10,565	6,095	27,307		4,912	148	9,427	1,416	470	565	342	886	5,234	5,191
September	76,497	70,475		8,358	10,602	6,180	27,393		5,056	142	9,845	1,434	483	644	339	1,544	4,477	4,433
October	75,924	71,376		8,471	10,609	6,195	27,716		5,174	146	10,200	1,433	465	625	341	957	3,591	3,546
November	76,408	71,912		8,566	10,615	6,228	28,204		5,284	142	10,244	1,442	437	419	329	915	3,582	3,540
December	79,020	73,251		8,656	10,643	6,280	28,574		5,422	148	10,349	1,468	445	902	334	1,453	4,316	4,274
1944																		
January	81,520	74,436		8,880	10,637	6,319	29,523		5,568	141	10,502	1,584	402	563	316	1,738	5,346	5,271
February	86,693	78,780		9,138	10,665	6,356	31,886		5,763	147	11,638	1,725	531	587	345	1,689	6,224	6,156
March	89,393	79,768		9,313	10,629	6,402	32,597		5,944	145	10,932	1,936	487	685	348	2,203	7,423	7,344
April	90,299	82,210		9,439	10,707	6,426	35,303		6,035	148	10,897	1,721	554	572	348	2,570	5,519	5,471
May	93,954	84,060		9,659	10,741	6,412	36,290		6,209	150	10,960	1,867	586	739	347	4,003	5,802	5,771
June	92,767	84,455		9,810	10,712	6,454	36,258		6,316	146	11,457	1,712	518	625	347	3,062	5,250	5,224
July	92,694	85,630		9,990	10,786	6,536	37,126		6,364	147	11,542	1,656	557	468	347	2,995	4,368	4,347

¹ Data represent payments to individuals and exclude cost of administration. Payments under Social Security and Railroad Retirement Acts (including retroactive payments) and payments under Railroad Unemployment Insurance Act are amounts certified; payments under Civil Service Commission and Veterans Administration are disbursements minus cancellations; State unemployment insurance payments are checks issued by State agencies. Totals are sums of unrounded figures, therefore may differ slightly from sums of rounded figures.

² Old-age retirement benefits under all acts, disability retirement benefits under Railroad Retirement and Civil Service Retirement Acts, and disability payments to veterans.

³ Represents primary and wife's benefits and benefits to children of primary beneficiaries. Partly estimated.

⁴ Amounts certified, minus cancellations. Monthly payments to survivors include annuities to widows under joint and survivor elections and 12-month death-benefit annuities to widows and next of kin.

⁵ Represents principally payments from civil-service retirement and disability fund but includes also payments from Canal Zone retirement and disability fund and Alaska Railroad retirement and disability fund administered by Civil Serv-

ice Commission. Monthly retirement payments include accrued annuities to date of death paid to survivors and payments made under joint and survivor elections. Data for calendar years 1936-39 estimated on basis of fiscal-year data.

⁶ Veterans' pensions and compensation payments.

⁷ Represents widow's, widow's current, parent's, and child's benefits. Partly estimated.

⁸ Payments to widows, parents, and children of deceased veterans.

⁹ Represents survivor payments with respect to deaths of covered workers under both the 1935 and 1939 acts, and, for the period January 1937-August 1939, payments to covered workers at age 65 totaling \$9.0 million, which are not survivor payments.

¹⁰ Payments for burial of deceased veterans.

¹¹ Annual figures adjusted for voided benefit checks; monthly figures unadjusted.

¹² 1941, 1942, and 1943 annual figures adjusted for underpayments and recoveries of overpayments; monthly figures unadjusted.

¹³ Preliminary estimate.

Emergency Maternity and Infant Care Program

The amount shown for military allowances in the income payments series includes payments under the emergency maternity and infant care program administered by the Children's Bureau. This program¹ provides complete maternity care, including medical and hospital service, for wives of servicemen, and medical and hospital care if needed for their infants until they are 1 year of age. Established in 13 States in April 1943,

the program has been in operation since March 1944 in all 48 States, the District of Columbia, Alaska, Hawaii, and Puerto Rico. Table 4 shows by State the cumulative number of maternity and infant cases authorized and completed through July 31, 1944. Up to that date the largest number of cases authorized for maternity care was in June—42,800 cases; the estimated number of maternity cases authorized in August was 44,900. The largest number of cases authorized for infant care through July was the 4,400 cases in May; the estimated number for August was 4,300. Although, through July 31, 1944, 166,000 maternity cases were completed, only about

39,000 infant cases were authorized for necessary medical or hospital care over the period.

Month	Number of cases authorized ²		Number of cases completed ¹	
	Maternity	Infant	Maternity	Infant
Cumulative through July 1944 ³	402,112	38,591	166,047	9,475
1944				
April	35,868	4,332	19,132	962
May	41,768	4,418	21,705	1,238
June	42,836	4,224	23,741	1,659
July	38,171	3,778	23,162	1,591

¹ Distribution by type estimated.

² Cumulative from beginning of program in April 1943.

see the *Bulletin*, May 1944, pp. 43-44.

Total monthly payments for the program during the 4 months have ranged from \$2.0 to \$2.4 million. These payments, made by State health agencies from Federal grants, are paid directly to the physicians, hospitals, or nurses who provided the services.

Table 4.—Cumulative number of cases¹ through July 31, 1944, under the emergency maternity and infant care program,² by State

State	Date of approval of State plan	Maternity and infant cases		
		Authorized	Completed	Closed with payment
Total		440,703	175,522	4,154
Ala.	June 1943	5,933	1,823	154
Alaska	July 1943	208	98	3
Ariz.	May 1943	3,063	1,553	160
Ark.	do	7,786	3,795	48
Calif.	June 1943	27,634	12,655	128
Colo.	Nov. 1943	5,328	1,598	12
Conn.	May 1943	5,538	2,263	88
Del.	Apr. 1943	1,086	499	23
Dist. of Col.	June 1943	3,782	1,512	36
Fla.	do	8,744	3,618	39
Ga.	Aug. 1943	6,682	2,696	256
Hawaii	May 1943	499	302	18
Idaho	do	2,232	1,197	7
Ill.	do	24,334	9,102	128
Ind.	do	15,423	7,341	71
Iowa	June 1943	7,145	3,841	43
Kans.	May 1943	11,460	5,286	174
Ky.	do	10,014	4,783	134
La.	Dec. 1943	5,476	1,325	22
Maine	May 1943	2,851	1,247	85
Md.	Apr. 1943	5,766	2,618	28
Mass.	Aug. 1943	12,182	3,909	70
Mich.	May 1943	15,476	6,994	167
Minn.	June 1943	9,377	2,550	61
Miss.	Apr. 1943	8,616	3,584	138
Mo.	May 1943	12,393	4,818	23
Mont.	June 1943	2,414	1,095	8
Nebr.	do	6,008	1,824	73
Nev.	Apr. 1943	729	293	26
N. H.	June 1943	1,558	635	25
N. J.	Apr. 1943	12,582	4,910	160
N. Mex.	do	3,513	1,993	126
N. Y.	June 1943	39,687	13,961	161
N. C.	Apr. 1943	5,850	5,882	60
N. Dak.	Mar. 1944	818	116	1
Ohio	Aug. 1943	21,146	8,163	60
Okl.	Apr. 1943	11,918	4,967	126
Oreg.	Sept. 1943	4,223	1,745	25
Pa.	do	24,546	7,231	575
Puerto Rico	Feb. 1944	951	115	9
R. I.	Apr. 1943	2,506	1,048	29
S. C.	do	8,539	3,530	234
S. Dak.	May 1943	2,934	1,296	10
Tenn.	July 1943	5,104	1,741	69
Tex.	Dec. 1943	18,545	3,997	7
Utah	May 1943	4,099	1,831	20
Vt.	Apr. 1943	1,565	814	117
Va.	July 1943	8,666	4,859	31
Wash.	May 1943	7,216	3,807	43
W. Va.	Apr. 1943	7,002	3,329	37
Wis.	May 1943	9,682	4,909	45
Wyo.	Apr. 1943	824	426	9

¹ Cumulative from beginning of program in each State; time of beginning varies among States from April 1943 to March 1944.

² Data reported by State health agencies to Children's Bureau; figures subject to revision.

Source: U. S. Children's Bureau.

Financial and Economic Data

Receipts and Expenditures

Social security tax collections of the Federal Government during the first month of the new fiscal year were \$8 million more than in July 1943. They amounted to 2.5 percent of total Federal receipts, as compared with 2.3 percent a year earlier.

Federal insurance contributions of \$51.8 million were one-fifth greater than collections in July 1943 and 47 percent more than the amount in April 1944, the first month of the previous quarter.

Collections under the selected social insurance programs included in table 6 totaled \$228.6 million, of which 75.4 percent was collected by State agencies as State unemployment contributions. Federal insurance contributions represented 22.6 percent of the

Table 5.—Federal insurance contributions and Federal unemployment taxes,¹ by internal revenue collection district, April-June 1944 and fiscal year 1943-44

Internal revenue collection district in—	[In thousands]					
	April-June 1944			Fiscal year 1943-44		
	Total	Insurance contributions ²	Unemployment taxes ³	Total	Insurance contributions ²	Unemployment taxes ³
Ala.	3,342.0	3,240.1	101.9	14,035.6	12,293.3	1,742.3
Ariz.	599.0	578.5	20.5	2,497.9	2,188.9	309.0
Ark.	828.2	812.2	16.0	3,862.3	3,368.4	493.9
Calif. (2 districts)	31,978.4	30,817.8	1,160.2	128,446.1	113,758.4	14,687.7
Colo.	1,569.3	1,499.2	70.1	6,554.9	5,783.7	771.2
Conn.	8,232.1	7,922.0	310.1	34,818.7	30,348.4	4,470.3
Del.	3,594.9	3,436.2	158.7	14,044.6	12,211.2	1,833.4
Fla.	2,861.0	2,794.8	66.1	11,794.1	10,404.3	1,389.8
Ga.	3,511.3	3,370.0	141.3	15,083.5	13,215.8	1,867.8
Hawaii	681.2	668.5	12.7	3,130.3	2,729.0	401.3
Idaho	525.5	509.1	16.3	2,448.7	2,148.1	300.6
Ill. (2 districts)	29,675.3	28,125.5	1,549.8	118,097.6	103,449.7	14,647.8
Ind.	6,594.8	6,432.0	162.8	27,059.2	23,694.7	3,364.5
Iowa	2,439.7	2,195.6	244.1	10,248.0	9,044.7	1,203.3
Kans.	2,054.1	1,995.4	58.7	7,095.2	7,785.2	690.1
Ky.	2,228.5	2,155.8	72.7	9,542.7	8,291.1	1,251.6
La.	3,001.9	2,922.9	79.0	12,512.0	11,006.1	1,505.9
Maine	1,620.5	1,593.0	27.5	7,628.4	6,697.6	930.8
Md. (including Dist. of Col.)	5,754.2	5,580.5	173.8	24,518.1	21,273.3	3,244.7
Mass.	14,006.9	13,579.1	427.8	57,003.2	50,233.7	6,719.5
Mich.	30,215.9	28,339.6	1,876.4	113,915.9	100,560.0	13,355.9
Minn.	4,756.2	4,608.6	147.6	20,089.1	17,695.5	2,393.6
Miss.	804.9	781.6	23.3	3,548.5	3,103.9	444.6
Mo. (2 districts)	8,184.8	7,867.4	317.4	33,801.8	29,514.6	4,287.1
Mont.	381.9	371.0	11.0	1,698.2	1,519.1	179.1
Nebr.	1,420.2	1,368.7	51.5	6,197.4	5,480.9	716.4
Nev.	203.5	201.1	2.4	855.2	774.0	81.2
N. H.	764.4	737.1	27.3	3,342.9	2,930.7	412.3
N. J. (2 districts)	14,466.8	13,756.7	710.1	55,841.3	48,822.0	7,019.3
N. Mex.	274.2	240.5	33.7	1,107.3	965.1	142.1
N. Y. (6 districts)	74,152.4	68,509.2	5,643.1	282,378.5	246,558.1	35,820.4
N. C.	4,309.0	4,174.5	134.5	18,600.3	16,325.1	2,275.2
N. Dak.	201.3	195.6	5.7	854.0	772.3	81.7
Ohio (4 districts)	24,986.7	23,825.0	1,161.7	100,320.7	88,149.2	12,171.5
Okl.	2,571.3	2,459.3	112.0	10,606.3	9,283.0	1,323.3
Oreg.	3,160.9	3,097.3	63.6	14,245.3	12,475.5	1,769.8
Pa. (3 districts)	36,602.1	34,505.1	2,097.1	144,529.9	126,153.3	18,376.7
R. I.	2,363.3	2,326.9	36.4	10,287.1	8,954.7	1,332.4
S. C.	1,565.7	1,516.0	49.7	6,854.5	5,993.8	860.7
S. Dak.	245.0	241.6	3.4	1,099.1	996.5	102.6
Tenn.	3,091.4	3,007.4	84.0	12,593.8	11,000.3	1,593.6
Tex. (2 districts)	7,957.2	7,560.9	396.3	33,846.9	29,506.5	4,340.2
Utah	735.8	699.5	36.3	3,295.3	2,890.3	405.0
Vt.	462.7	451.8	10.9	2,044.9	1,785.1	259.8
Va.	3,545.2	3,333.1	212.1	14,667.3	12,801.3	1,866.0
Wash. (including Alaska)	6,105.9	5,886.1	219.8	25,286.7	22,366.6	2,922.1
W. Va.	2,429.8	2,365.8	64.3	10,110.4	8,755.8	1,354.6
Wis.	6,974.2	6,746.0	227.3	28,523.4	25,008.1	3,515.3
Wyo.	238.1	227.4	10.7	1,110.8	1,011.5	99.3

¹ Data are based on warrants covered by the Bookkeeping and Warrants Division of the Treasury Department and therefore differ slightly from tax receipts in tables 6 and 8, which are based on *Daily Statement of the U. S. Treasury*. Amounts listed in this table represent collections made in internal revenue collection districts in the respective States and covered into Treasury. The amount received

by a particular district does not necessarily represent taxes paid with respect to employment within the State in which that district is located.

² See table 6, footnote 1.

³ See table 6, footnote 4.

Source: Treasury Department, Office of the Commissioner of Accounts and Deposits.

total, and taxes under the two railroad insurance programs, 0.6 percent.

Collections of Federal insurance contributions and Federal unemployment taxes by internal revenue collection districts during the last quarter of 1943-44, and for the entire fiscal year, are shown in table 5. In the Nation as a whole, Federal insurance contributions amounted to 88 percent of total Federal social security taxes in each of the past 2 fiscal years, although 1943-44 collections were 14.3 percent more than collections in 1942-43. Similar increases occurred in the collection districts of all but 6 States. Federal unemployment tax collections during the fiscal year—\$179.9 mil-

lion—rose 13.7 percent from the preceding year's figure, and the collection districts of all but 6 States participated in the increase.

Federal expenditures under the Social Security Act and under programs administered by the Railroad Retirement Board (including net appropriations to the old-age and survivors insurance trust fund and transfers to the railroad retirement account) amounted to \$307 million in July (table 8), or 3.8 percent of total Federal expenditures during the month; a year earlier this ratio was 3.6 percent.

Total Federal disbursements exceeded receipts by \$5,947 million and

were 14 percent more than disbursements in July 1943 (table 8). This excess of disbursements, together with a \$133 million increase in trust account balances, resulted in an increase of \$7,570 million in the public debt and a \$1,756 million increase in the general fund balance. As of the end of July, the combined holdings of Government securities by the Federal old-age and survivors insurance trust fund and the unemployment trust fund totaled \$11.3 billion, equivalent to 5.5 percent of the interest-bearing Federal public debt as compared with 6.2 percent a year earlier. The computed average rate of interest on the interest-bearing debt declined to 1.927

Table 6.—Social insurance taxes under selected programs, by specified period, 1936-44

[In thousands]

Period	Old-age and survivors insurance		Unemployment insurance		
	Federal insurance contributions ¹	Taxes on carriers and their employees ²	State unemployment contributions ³	Federal unemployment taxes ⁴	Railroad unemployment insurance contributions ⁵
Cumulative through July 1944	\$5,904,346	\$1,164,906	\$7,419,269	\$915,086	\$426,352
Fiscal year:					
1936-37	194,346	345	(7)	\$ 57,751	
1937-38	514,406	150,132	(7)	\$ 90,104	
1938-39	530,358	109,257	803,007	100,860	
1939-40	604,694	120,967	833,955	107,523	49,167
1940-41	600,555	126,942	888,450	97,677	68,162
1941-42	895,619	170,012	1,003,901	110,944	84,738
1942-43	1,130,495	208,795	1,217,737	158,361	102,710
1943-44	1,292,122	267,065	1,353,273	179,909	121,518
1943					
July	43,584	1,119	146,750	3,226	69
August	286,625	15,027	199,830	8,051	1,316
September	3,018	46,175	4,709	1,063	24,863
October	41,542	1,091	134,899	3,051	1,353
November	273,537	8,206	196,735	10,478	1,523
December	2,671	52,914	9,273	1,145	27,069
1944					
January	23,849	1,231	128,789	14,222	211
February	282,219	4,055	175,358	116,529	750
March	4,404	58,581	111,385	3,550	28,479
April	35,136	354	150,189	3,265	78
May	309,381	13,434	175,229	14,250	975
June	5,107	64,877	20,037	1,089	34,832
July	51,751	1,395	172,482	2,948	57

¹ Tax effective Jan. 1, 1937, payable by employers and employees.

² Federal tax effective Mar. 1, 1936, payable by carriers and employees.

³ Represents contributions plus penalties and interest collected from employers and contributions from employees, deposited in State clearing accounts. Data include contributions based on wages from railroad industry prior to July 1, 1939. Data reported by State agencies, corrected to Aug. 30, 1944.

⁴ Tax effective Jan. 1, 1936, payable by employers only. Amounts paid into State unemployment funds not included.

⁵ Tax effective July 1, 1938, payable by employers only. Amounts differ from figures in table 5, which represent only the 10 percent deposited in general and special accounts of Treasury.

⁶ Includes \$40,561,886 subsequently refunded to States which did not collect taxes on 1936 pay rolls and in which employers paid full tax to the Federal Government.

⁷ Not available.

Source: *Daily Statement of the U. S. Treasury*, unless otherwise noted.

Table 7.—Federal appropriations and expenditures for administrative expenses and grants to States under the Social Security Act, by specified period, 1943-45¹

[In thousands]

Item	Fiscal year 1943-44		Fiscal year 1944-45	
	Appropriations ²	Expenditures through July ³	Appropriations ²	Expenditures through July ³
Total	\$498,001	\$58,485	\$480,607	\$82,655
Administrative expenses	26,118	2,763	25,807	2,437
Federal Security Agency, Social Security Board ⁴	25,451	2,118	25,221	1,788
Department of Labor, Children's Bureau	417	84	431	34
Department of Commerce, Bureau of the Census	230	22	165	12
Department of the Treasury ⁵	(9)	580	(9)	603
Grants to States	471,973	55,722	454,800	50,218
Federal Security Agency	460,773	55,266	443,000	49,873
Social Security Board	449,773	53,063	432,600	46,738
Old-age assistance	336,350	41,149	30,555	
Aid to dependent children	65,000	7,094	403,600	6,571
Aid to the blind	9,000	1,213	1,010	
Unemployment compensation administration	7,39,423	3,606	29,000	9,602
Public Health Service: Public health work	11,000	2,203	11,000	3,135
Department of Labor, Children's Bureau	11,200	456	11,200	344
Maternal and child health services	5,820	344	5,820	221
Services for crippled children	3,870	74	3,870	101
Child welfare services	1,510	38	1,510	22

¹ Excludes some funds appropriated and expended under the Social Security Act, because they are not separated from other Federal funds for similar purposes.

² Excludes unexpended balance of appropriations for preceding fiscal year. Includes, for 1943-44, transfer of \$4,098,411 from War Manpower Commission for employment office facilities and services.

³ Based on checks cashed and returned to Treasury. Includes expenditures from reappropriated balance of appropriations for preceding fiscal year.

⁴ Includes amounts expended by the Board in administration of title II of the act.

⁵ Represents amounts expended by Treasury in administration of title II of Social Security Act and Federal Insurance Contributions Act, reimbursed to general fund of Treasury.

⁶ Not available.

⁷ Includes \$4,098,411 transferred from WMC for employment office facilities and services—\$2,150,000 transferred on Nov. 5, 1943, and \$1,948,411 transferred on Apr. 15, 1944.

Source: Various Federal appropriation acts (appropriations); *Daily Statement of the U. S. Treasury* (expenditures).

percent at the end of July as compared with 1.929 percent in June and 1.971 percent at the end of July 1943. Special obligations issued to either of the two trust funds in August continued to bear an interest rate of 1% percent.

Total expenditures (checks cashed) for grants to States under the Social Security Act during July were nearly 10 percent less than in the corresponding month of 1943. There were decreases also in five of the eight grant-in-aid programs—old-age assistance, aid to dependent children, aid to the

blind, maternal and child health services, and child welfare services.

Grants for public health work, formerly authorized under title VI of the Social Security Act, are now authorized under the new Public Health Service Act (Public, No. 410) approved July 1, 1944. Although the new legislation repealed title VI, expenditures will continue to be made from the funds already appropriated under the Social Security Act for 1944-45 and from any previously unexpended appropriations until such funds are exhausted.

Industrial production, as measured by the Federal Reserve Board adjusted index, declined 2 points from the June level and was 7 points below that for July 1943. The decline was largely attributable to minor readjustments in the munitions program and to manpower shortages in durable-goods industries. Output of both steel and nonferrous metals continued to decline in July as did chemicals, transportation equipment, and rubber-goods production. Declines in both bituminous and anthracite output caused the fuel production index to

Table 8.—Social security and total Federal receipts, expenditures, and public debt, by specified period, 1936-44

[In millions]

Period	General and special accounts										Trust accounts, etc., excess receipts (+) or expenditures (-)	Change in general fund balance	Public debt						
	Receipts of Federal Government				Expenditures ⁴ of Federal Government								Total	Old-age and survivors insurance trust fund	Unemploy- ment trust fund	Rail- road retire- ment ac- count	All other		
	Total ¹	Social secu- rity taxes ²	Rail- road retire- ment and unem- ploy- ment taxes ³	All other	Total ¹	Ad- minis- trative expen- ses and grants to States	Net apprivo- rations and trans- fers to old-age and sur- vivors in- sur- ance trust fund	Ad- minis- trative expen- ses	Trans- fers to rail- road retire- ment ac- count	All other									
Fiscal year:																			
1936-37	\$5,294	\$252	(7)	\$5,042	\$8,442	\$183	\$265	\$1	\$7,993	-\$3,140	+\$374	-\$128	\$36,425	\$267	\$312	\$35,846			
1937-38	6,242	604	\$180	5,488	7,626	291	387	3	\$146	6,799	-1,384	+\$306	-338	37,165	662	872	\$35,565		
1938-39	5,668	631	109	4,928	9,210	342	503	3	107	8,255	-3,542	+\$890	+\$622	40,440	1,177	1,267	67	37,929	
1939-40	5,925	712	126	5,087	9,537	379	539	8	121	8,490	-3,612	+\$137	-947	42,968	1,738	79	39,441		
1940-41	8,269	788	144	7,337	13,372	447	661	7	124	12,133	-5,103	-\$148	+\$742	49,961	2,381	2,273	74	44,233	
1941-42	13,668	1,016	178	12,474	33,265	501	869	10	141	31,744	-19,598	-3,506	+\$358	72,422	3,202	3,139	92	65,089	
1942-43	23,385	1,289	219	21,877	79,282	504	1,103	8	215	77,452	-55,897	-1,861	+\$6,515	136,696	4,237	4,367	178	127,914	
1943-44	45,408	1,472	279	43,657	95,003	519	1,260	6	263	92,955	-49,595	-4,051	+\$10,662	201,003	5,409	5,870	319	189,405	
1943																			
July	2,048	47	1	2,000	7,183	58	41	(7)	161	6,893	-5,105	-635	-912	141,554	4,234	4,405	332	132,663	
August	3,005	295	15	2,695	7,901	52	284	(7)	7,565	-4,896	+\$131	-2,231	144,059	4,224	4,708	321	134,506		
September	5,448	4	49	5,395	7,535	32	(7)	(7)	7,503	-2,087	-\$410	+\$11,794	158,349	4,499	4,740	310	145,500		
October	2,069	45	1	2,023	7,495	57	39	(7)	24	7,365	-5,428	-\$132	+\$1,139	165,047	4,499	4,768	332	155,445	
November	2,370	284	8	2,078	8,110	40	271	(7)	7,799	-5,740	+\$290	+\$4,338	166,158	4,499	5,056	321	156,282		
December	5,737	5	56	5,676	7,453	24	1	1	7,427	-1,716	-667	+\$2,664	165,877	4,779	5,095	310	155,693		
1944																			
January	2,779	48	1	2,730	7,602	58	32	(7)	34	7,478	-4,823	-14	-\$55	170,659	4,768	5,166	333	160,302	
February	2,754	269	4	2,381	8,112	33	250	(7)	7,829	-5,359	-\$173	+\$6,916	183,107	4,868	5,427	322	172,490		
March	6,576	8	61	6,507	8,528	35	2	(7)	8,491	-1,952	+\$2,205	+\$2,549	184,715	5,012	5,466	311	173,926		
April	3,119	38	(7)	3,081	7,890	63	32	(7)	84	7,771	-4,772	+\$193	+\$4,327	184,987	5,012	5,494	334	174,127	
May	3,256	324	14	2,918	8,598	44	306	(7)	8,248	-5,342	+\$185	+\$3,757	186,366	5,012	5,774	322	175,258		
June	6,249	6	68	6,175	8,627	32	2	(7)	8,593	-2,378	-613	+\$11,646	201,003	5,409	5,870	319	189,405		
July	2,212	55	1	2,166	8,159	53	49	1	205	7,861	-5,947	+\$133	+\$1,766	205,574	5,397	5,918	513	196,751	

Beginning July 1940, Treasury reports of net receipts and expenditures of general and special accounts exclude appropriations to old-age and survivors insurance trust fund minus reimbursements to Treasury for administrative expenses; such net appropriations are included in this table for comparison with previous periods.

² Represents collections under Federal Insurance Contributions Act and Federal Unemployment Tax Act.

³ Represents total collections under Carriers Taxing Act and 10 percent of collections under Railroad Unemployment Insurance Act (see table 6, footnote 5).

⁴ Checks cashed and returned to Treasury. Excludes public-debt retirement.

⁵ Includes administrative expenses under Wagner-Peyser Act for employment service administration, July 1940-December 1941, but excludes grants to States under that act; the latter are included in "all other." From Jan. 1 through Nov.

30, 1942, includes Federal expenditures for operation of employment services in the States. Excludes administrative expenses incurred by Treasury prior to July 1940 in administration of title II of Social Security Act and Federal Insurance Contributions Act. Also excludes funds for disease and sanitation investigations of Public Health Service. For fiscal year 1943-44 includes expenditures from \$4,985,411 transferred to Social Security Board from War Manpower Commission for employment office facilities and services.

⁶ Includes all trust accounts, increment resulting from reduction in weight of gold dollar, expenditures chargeable against increment on gold (other than retirement of national bank notes), and receipts from seigniorage.

⁷ Less than \$500,000.

Source: *Daily Statement of the U. S. Treasury*.

Table 9.—Status of the old-age and survivors insurance trust fund, by specified period, 1936-44

[In thousands]

Period	Receipts		Expenditures		Assets			
	Transfers and appropriations to trust fund ¹	Interest received ²	Benefit payments ³	Reimbursement for administrative expenses	Net total of U. S. Government securities acquired ⁴	Cash with disbursing officer at end of period	Credit of fund account at end of period ⁵	Total assets at end of period
Cumulative through July 1944	\$5,763,129	\$404,663	\$560,281	\$128,431	\$5,396,870	\$24,747	\$57,462	\$5,479,079
Fiscal year:								
1936-37	265,000	2,262	27	—	267,100	73	62	267,235
1937-38	387,000	15,412	5,404	—	395,200	1,931	113,012	777,243
1938-39	403,000	26,951	13,892	—	514,900	2,036	66	1,180,302
1939-40	550,000	42,489	15,805	12,288	560,900	6,098	500	1,744,698
1940-41	688,141	55,968	64,342	26,840	642,500	10,778	6,238	2,397,615
1941-42	895,619	71,007	110,281	26,766	821,034	20,384	5,176	3,227,194
1942-43	1,130,495	87,403	149,304	27,492	1,035,200	24,495	6,966	4,268,296
1943-44	1,292,122	103,177	184,597	32,607	1,172,036	21,384	16,136	5,446,391
1943								
July	43,584	8	13,696	2,823	—13,000	23,792	47,743	4,295,369
August	286,625	—	13,938	2,823	—	23,845	317,554	4,565,234
September	3,018	554	14,301	2,823	—	24,468	28,328	4,551,682
October	41,542	—	14,540	2,619	—	25,910	51,260	4,576,055
November	273,587	—	14,748	2,619	—	27,152	306,227	4,832,274
December	3,671	2,122	14,900	2,619	279,949	29,097	12,327	4,820,458
1944								
January	33,849	110	15,275	2,002	—11,000	30,816	38,490	4,837,140
February	252,219	—	15,693	2,002	100,036	31,114	172,679	5,071,663
March	4,404	554	16,615	2,002	144,000	28,479	17,655	5,058,004
April	35,136	—	16,494	3,424	—	23,977	37,374	5,073,221
May	300,381	—	17,126	3,424	—	22,838	327,343	5,362,051
June	5,107	99,828	17,171	3,424	397,000	21,384	10,136	5,446,391
July	51,751	4	16,630	2,437	—12,000	24,747	57,462	5,479,079

¹ Beginning July 1940, trust fund appropriations equal taxes collected under Federal Insurance Contributions Act.² Interest on investments held is credited annually in June; on investments redeemed, in month of redemption.³ Based on checks cashed and returned to Treasury.⁴ Minus figures represent net total of notes redeemed; includes accrued interest.⁵ Prior to July 1940, includes balance of appropriation available for transfer.Source: *Daily Statement of the U. S. Treasury*.

Table 10.—Status of the railroad retirement account, by specified period, 1938-44

[In thousands]

Period	Receipts			Transfers from appropriation to trust fund	Benefit payments ¹	Assets at end of period			
	Amount appropriated	Interest received	Total			3-percent special Treasury notes	To credit of appropriation ²	To credit of disbursing officer	
Cumulative through July 1944	\$1,425,688	\$27,202	\$1,452,890	\$1,321,688	\$821,685	\$512,500	\$104,981	\$13,724	\$631,205
Fiscal year:									
Through June 1938	146,500	1,411	147,911	146,406	79,849	66,200	234	1,628	68,062
1938-39	118,250	2,202	120,452	107,094	105,774	67,200	13,206	2,334	82,740
1939-40	120,150	2,283	122,433	120,650	113,099	79,400	10,847	1,826	92,073
1940-41	\$113,600	2,534	116,134	124,350	121,174	74,000	2,503	10,530	87,033
1941-42	140,850	3,143	143,993	140,850	126,244	91,500	1,597	11,686	104,782
1942-43	214,801	5,777	220,578	214,801	130,465	178,000	4,120	12,776	194,896
1943-44	262,720	9,637	272,557	262,720	134,416	318,500	1,147	13,390	333,087
1943									
July	262,720	10	262,730	160,720	11,078	332,000	102,052	12,495	446,548
August	—	46	46	—	11,077	321,600	102,049	12,468	435,517
September	—	74	74	—	11,088	310,600	102,076	12,427	424,503
October	—	101	101	33,500	11,283	332,000	68,608	12,713	413,321
November	—	129	129	—	11,144	321,000	68,633	12,672	402,305
December	—	156	156	—	11,096	310,000	68,673	12,693	391,366
1944									
January	—	184	184	34,000	11,214	333,000	24,700	12,636	380,326
February	—	211	211	—	11,147	322,000	34,722	12,678	369,400
March	—	238	238	—	11,403	311,000	34,748	12,466	358,235
April	—	290	290	34,600	11,267	333,500	341	13,417	347,258
May	—	293	293	—	11,459	322,500	338	13,254	336,092
June	—	8,105	8,105	—	11,161	318,500	3,147	13,390	333,037
July	308,817	16	308,833	204,817	10,664	512,500	104,981	13,724	631,205

¹ Based on checks cashed and returned to Treasury.² Represents balances in appropriation and trust fund accounts, including net credit from adjustments such as cancellations and repayments.³ Appropriation reduced by transfer of \$9 million in October 1940 to prior-service

account for collection of service and compensation data of railroad workers prior to 1937.

Source: *Daily Statement of the U. S. Treasury*.

Table 11.—Status of the unemployment trust fund, by specified period, 1936-44¹

[In thousands]

Period	Total assets at end of period	Net total of Treasury certificates and bonds acquired ²	Unexpended balance at end of period	State accounts				Railroad unemployment insurance account				
				Deposits	Interest credited	Withdrawals ³	Balance at end of period	Deposits	Interest credited	Benefit payments	Balance at end of period ⁴	
Cumulative through July 1944	\$5,925,618	\$5,913,000	\$12,618	\$7,334,970	\$354,342	\$2,262,211	\$5,427,100	\$383,734	\$23,547	\$43,858	\$498,518	
Fiscal year:												
1936-37	312,389	203,386	94	291,703	2,737	1,000	312,389					
1937-38	884,247	559,705	12,247	747,660	15,172	190,975	884,247					
1938-39	1,280,539	395,000	13,539	811,281	26,837	441,795	1,280,539					
1939-40	1,724,862	443,000	14,862	859,864	37,524	484,764	1,693,163	44,249	202	14,552	31,699	
1940-41	2,283,658	563,000	10,658	892,023	45,893	537,343	2,093,736	61,347	3,059	17,784	189,921	
1941-42	3,150,163	866,000	11,103	1,095,991	61,998	368,070	2,883,554	76,266	5,424	9,072	266,448	
1942-43	4,372,460	1,228,000	5,400	1,217,686	75,563	174,334	4,002,570	92,441	6,861	1,834	369,890	
1943-44	5,878,778	1,503,000	8,778	1,349,307	88,526	60,000	5,380,403	109,375	8,001	591	498,378	
1943												
July	4,411,878	38,000	6,878	43,628			4,207	4,041,991	62		65	369,888
August	4,715,315	303,000	11,315	299,700			5,124	4,336,576	1,185		33	382,740
September	4,746,325	32,000	6,325	8,855			4,182	4,341,240	22,377		40	405,077
October	4,775,705	28,000	11,705	36,567			3,366	4,373,450	1,217		39	406,255
November	5,066,953	288,000	10,953	289,375			3,457	4,659,368	1,372		42	407,585
December	5,146,745	39,000	51,745	14,238	41,101		3,594	4,711,113	24,363	3,722	37	433,632
1944												
January	5,177,412	71,000	11,412	35,787			5,262	4,741,639	107		56	435,773
February	5,435,081	261,000	8,061	263,181			6,112	4,998,707	674		74	436,373
March	5,471,327	39,000	5,327	17,603			6,916	5,009,396	25,631		73	461,931
April	5,508,478	28,000	14,478	43,714			6,567	5,046,543	71		67	461,935
May	5,780,782	280,000	6,782	277,219			5,752	5,318,010	877		40	462,772
June	5,878,778	96,000	8,778	20,431	47,425		5,463	5,380,403	31,349	4,279	25	498,375
July	5,925,618	43,000	12,618	50,628			3,931	5,427,100	56		24	498,518

¹ Beginning July 1939, contains separate book account for railroad unemployment insurance, in which are held moneys deposited by Railroad Retirement Board and from which the Secretary of the Treasury makes benefit payments as certified by Railroad Retirement Board. Contains also separate account for each State agency, in which are held all moneys deposited from State unemployment funds and from which State agencies withdraw amounts as required for benefit payments. Totals and balances derived from unrounded figures, therefore, may differ slightly from sums of rounded figures.

² Includes accrued interest.

³ Includes transfers from State accounts to railroad unemployment insurance account amounting to \$106,012,000 of which \$111,000 was transferred from Kentucky account in July 1944.

⁴ Includes transfers from railroad unemployment insurance administration fund amounting to \$29,082,667.

Source: Daily Statement of the U. S. Treasury.

decline, although crude petroleum output increased. The Bureau of Labor Statistics cost of living index rose 0.6 percent from June 15 to July 15; food prices increased 1.3 percent and there were smaller increases in the rest of the family budget.

The adjusted index of department store sales rose 14 points in July although there was a seasonal decline. Employment in manufacturing industries decreased less than 1 point, according to the Bureau of Labor Statistics unadjusted index. The decline was principally in durable-goods industries, such as the automobile and other transportation equipment industries. Employment rose in the nondurable-goods industries, especially in the leather and food-products industries.

Status of Trust Accounts

Appropriations to the old-age and survivors insurance trust fund amounted to \$51.8 million in July (table 9). Security holdings of \$12 million—consisting entirely of 1½-percent 1-year special certificates of indebtedness—were redeemed, and no

new securities were acquired by the fund.

Benefit payments (checks cashed) under old-age and survivors insurance totaled \$16.6 million, a decrease of 3.2 percent from June but 21.4 percent more than in July 1943. The customary one-third of the quarterly reimbursement for administrative expenses was deducted from the total assets of the fund, in advance of actual repayment to the general fund at the end of the quarter. The July deduction of \$2.4 million indicated a total reimbursement of about \$7.3 million for the quarter, nearly \$3 million less than in the preceding quarter.

Assets of the old-age and survivors insurance trust fund increased by \$32.7 million, totaling \$5,479 million on July 31. Total investments were \$5,397 million, on which the average rate of interest was 2.195 percent as compared with 2.260 percent a year earlier.

Assets of the railroad retirement account at the beginning of the current fiscal year stood at \$333 million. In July, the 1944-45 congressional appropriation of \$309 million was added, together with \$16,000 in interest on

investments. Benefit payments of \$10.7 million reduced the total to \$631 million as of the end of July. Of this amount \$513 million was invested in Treasury notes and the remainder held to the credit of the appropriation account and the disbursing officer.

Receipts of the unemployment trust fund totaled \$50.8 million in July (table 11), including \$56,000 deposited by the Railroad Retirement Board in the railroad unemployment insurance account and \$111,000 transferred to the railroad unemployment insurance account by Kentucky in accordance with section 13 of the Railroad Unemployment Insurance Act, as amended.

Withdrawals from State accounts for benefit payments declined to \$3.8 million, the lowest amount since December and 9.2 percent less than in July 1943. The fund acquired \$43 million of new 1½-percent special certificates of indebtedness, 1945 series, raising its total investments to \$5,913 million. The average rate of interest on investments held at the end of the month was 1.902 percent as compared with 1.891 percent on July 31, 1943.

Recent Publications in the Field of Social Security

Prices of publications, when known, are included as a service to the reader. All orders for publications must be sent direct to publishers or booksellers, not to the Social Security Board or the Federal Security Agency. Federal publications for which prices are listed should be ordered from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.

Social Security Board

MUSHKIN, SELMA J., and SMALL, LEILA. *Social Insurance Benefits and Contributions in Relation to Family Income, 1941*. Washington: Social Security Board, Bureau of Research and Statistics, June 1944. 19 pp. Processed. (Bureau Memorandum No. 59.)

Presentation and discussion of data on "the economic impact of the program during a single year as measured by the flow of contributions and benefits to and from different income classes." Includes comment on the incidence of employer taxes. A limited number of copies is available for research workers and interested institutions. Requests should be addressed to the Bureau of Research and Statistics, Social Security Board.

SUNDELSON, J. WILNER, and MUSHKIN, S. J. *The Measurement of State and Local Tax Effort*. Washington: Social Security Board, Bureau of Research and Statistics, June 1944. 131 pp. Processed. (Bureau Memorandum No. 58.)

A statistical study throwing light on "the willingness of States and localities to impose taxes for the financing of public services." It deals with tax effort theory, State and local tax performance in 1939, relative use of tax capacity, comparative tax severity, variations in tax effort, and differential Federal grants to States. A limited number of copies is available for research workers and interested institutions. Requests should be addressed to the Bureau of Research and Statistics, Social Security Board.

U. S. SOCIAL SECURITY BOARD. BUREAU OF RESEARCH AND STATISTICS. *Need for Medical-Care Insurance*. Washington, April 1944. 39 pp. Processed. (Bureau Memorandum No. 57.)

Briefly points out barriers to adequate medical service and considers—on the basis of numerous sources—the measurement of needs, including amount of illness, gaps between needs and services received, and maldistribution of medical resources.

The final section on ways of spreading costs discusses voluntary sickness insurance but urges adoption of the compulsory principle. The document is a summary of the basis for the recommendations on medical care in the Board's *Eighth Annual Report*. A limited number of copies is available for research workers and interested institutions. Requests should be addressed to the Bureau of Research and Statistics, Social Security Board.

VAN EENAM, WELTHA. *A Few Statistics on Life Insurance and Annuities in United States Lives—1935-1943*. Washington: Social Security Board, Office of the Actuary, June 1944. 14 pp. Processed.

Tables and explanatory text show life insurance in force, approximate number of policies, premiums of and dividends to policyholders, company reserves, distribution of company assets, and payments to policyholders and beneficiaries. Restricted free distribution by the Office of the Actuary, Social Security Board.

War and Social Services

"American Academy of Pediatrics Withdraws Support From Children's Bureau." *Journal of the American Medical Association*, Chicago, Vol. 125, No. 15 (Aug. 12, 1944), p. 1048. 25 cents.

Notes the Academy's action "in withdrawing its support from the Children's Bureau because its system of emergency maternity and infant care is an entering wedge for socialized medicine." Gives some statistics of the wartime program, which up to May 1, 1944, had aided 255,000 wives and babies of servicemen at a cost of \$42.8 million.

"Danish Social Policy in Wartime." *International Labour Review*, Montreal, Vol. 50, No. 2 (August 1944), pp. 184-206. 50 cents.

Contains a section on social insurance and assistance.

DUNN, LOULA. "Alabama's Public Welfare Service and War." *Alabama Social Welfare*, Montgomery, Vol. 9, No. 7 (July 1944), pp. 4-7.

GRISWOLD, DWIGHT. "Better Than a Bonus." *State Government*, Chicago, Vol. 17, No. 7 (August 1944), pp. 375-376 ff. 35 cents.

A description by the Governor of Nebraska of his State's program to aid needy veterans through use of interest from a public fund of \$2 million set up in 1921 and administered through the American Legion.

HABER, WILLIAM. "Manpower and Employment Problems in Transition From War to Peace." *Review of Economic Statistics*, Cambridge, Mass., Vol. 26, No. 2 (May 1944), pp. 57-68. \$5 a year.

HAMERO, C. J. "On the Heels of the Invasion." *Survey Midmonthly*, New York, Vol. 80, No. 8 (August 1944), pp. 230-231. 30 cents.

Outlines the basic nutritional, medical, and related needs of the occupied countries.

INDUSTRIAL HYGIENE FOUNDATION. *Putting the Disabled Veteran Back to Work*, by C. D. Selby and others. Pittsburgh: The Foundation, 1943. 24 pp. (Special Series, Bulletin No. 2.)

A panel discussion.

LEFFY, HAROLD P. "Tomorrow's Problems." *Survey Midmonthly*, New York, Vol. 80, No. 8 (August 1944), pp. 218-221. 30 cents.

Services for veterans through efficient community planning.

MASUR, JACK. "Vocational Rehabilitation Gains in Importance as War Crisis Nears." *Hospitals*, Chicago, Vol. 18, No. 7 (July 1944), pp. 71-72. 30 cents.

NATIONAL COMMISSION FOR YOUNG CHILDREN. *Committee for Young Children, Biennial Report, 1941-1943*. (Washington, D. C.: The Commission, 1943.) 22 pp. Processed.

The report deals with its work in supporting Federal and other programs for young children, stimulation of action to protect children, especially in war production areas, and related activities. Recommends a new and different type of organization for the future.

NEW YORK UNIVERSITY. INSTITUTE ON POSTWAR RECONSTRUCTION. *Postwar Economic Society; Addresses Delivered at the Third Series of Conferences of the Institute on Postwar Reconstruction*. Edited by Arnold

J. Zurcher and Richmond Page. New York: The Institute, 1944. 306 pp.

Of these 20 papers, the following are most closely related to social security: Perspective in Postwar Planning, by Fiorello H. La Guardia, which deals with employment and health insurance; The Health Cooperative, by Winslow Carlton; Outlook for the Serviceman, by John N. Andrews; The Future of Medical Practice, by Morris Fishbein; and Group Medical Practice, by Kingsley Roberts. Other topics considered are cooperatives, urban redevelopment, education, transportation, and population.

"Older Workers in Wartime." *Monthly Labor Review*, Washington, Vol. 59, No. 1 (July 1944), pp. 24-38. 30 cents.

This article by Mary T. Waggaman covers a variety of topics, including employment and social security data.

REDDING, J. SAUNDERS. "Here's a New Thing Altogether." *Survey Graphic*, New York, Vol. 33, No. 8 (August 1944), pp. 358-359 ff. 30 cents.

An account of USO clubs for Negroes.

SHORTLEY, MICHAEL J. *State Plans for Rehabilitation*. Chicago, 1944. 7 pp. Reprinted from the *Journal of the American Medical Association*, May 27, 1944, pp. 263-265.

A description of the Vocational Rehabilitation Act Amendments of 1943.

U. S. LAWS. *Servicemen's Readjustment Act of 1944*. Public Law 346, 78th Cong.; Chapter 268, 2d sess. Washington, 1944. 20 pp.

The text of the so-called "G. I. Bill of Rights," analyzed in the *July Social Security Bulletin*.

U. S. WAR MANPOWER COMMISSION. BUREAU OF SELECTIVE SERVICE. *Information Concerning the Veterans' Assistance Program of the Selective Service System*. Washington: U. S. Government Printing Office, 1944. 46 pp. 10 cents.

Contains a memorandum to local Selective Service Boards regarding veterans' assistance, including placement in former or new jobs and help in connection with other benefits. Has the text of the Servicemen's Readjustment Act of 1944.

"War Services Report VIII; June, 1944." *Alabama Social Welfare*, Montgomery, Vol. 9, No. 7 (July 1944), pp. 9-16.

Continues its use of county reports to provide a survey of Alabama activities and social conditions in vari-

ous fields, including the employment of women, family life, youth welfare, and public assistance.

"War-Time Social Security Taxes Pluck Aged Workers Without Giving Anything in Return." *United Mine Workers Journal*, Washington, Vol. 55, No. 16 (Aug. 15, 1944), p. 3. \$1 a year.

Advocates congressional action so that beneficiaries of old-age and survivors insurance who take jobs to help the war effort may have their benefits increased by reason of their wartime contributions to the fund.

WICKENDEN, ELIZABETH. "The Veteran Comes Home." *Public Welfare*, Chicago, Vol. 2, No. 8 (August 1944), pp. 186-194. 50 cents.

An over-all review of Federal legislation, reports, and directives for the benefit of ex-servicemen, together with discussion of some State and local measures and comment on welfare policy for veterans.

WILBY, LOIS. "New Horizons in Family Service." *Tennessee Public Welfare Record*, Nashville, Vol. 7, No. 7 (July 1944), pp. 2-6.

Wartime problems, their effect on the home, and their challenge to social case work.

WOYTINSKY, W. S. "Prosperity After the War. I-The Chance of Full Employment; II-The Role of War Savings." *New Republic*, New York, Vol. 111, Nos. 4 and 5 (July 24 and 31, 1944), pp. 96-98, 130-131. 15 cents each.

Analyzes labor-market problems, savings, and the broad problem of successful reconversion. Finds that "the fantastic accumulation of savings" may be a crucially important "new factor for the future economic development of the United States."

WRIGHT, HELEN R., Editor. *Social Service in Wartime*. Chicago: University of Chicago Press, 1944. 201 pp. \$2.

Among these papers given at the University of Chicago are: Social Services at the Outbreak of the War, by Helen R. Wright; The Effect of the War on the Public Assistance Programs, by Jane Hoey; The Impact of the War on Social Work With Children, by Katharine F. Lenroot; and Social Work After the War, by Edith Abbott. Indexed.

General

AARONSON, FRANKLIN M. "Benefits and Beneficiaries Under Social Insurance and Related Programs." *Journal of the American Statistical Association*, Washington, Vol. 39, No. 226 (June 1944), pp. 183-196. \$1.50.

Data for 1943 on old-age and survivors insurance, unemployment compensation, railroad retirement and unemployment insurance, Federal, State, and local government retirement, veterans' pensions, and workers' compensation.

AMERICAN MANAGEMENT ASSOCIATION. *Current and Future Problems of Employee Insurance*. New York: The Association, 1944. 44 pp. (Insurance Series, No. 59.) 50 cents.

Contains an introduction by R. A. Hohaus—with discussion of social and group insurance—and includes papers on Group Life and Pension Plans, and Health, Accident, and Hospitalization Insurance.

"The Application of the Venezuelan Social Insurance Act." *International Labour Review*, Montreal, Vol. 50, No. 2 (August 1944), pp. 240-244. 50 cents.

Summarizes the regulations of the Decree of February 19, 1944.

BRITISH INFORMATION SERVICES. *Post-War Planning in Britain; Unofficial Post-War Planning, 1939-1944*. New York: The Services, 1944. 88 pp.

In 3 parts: International Planning, Reconstruction at Home, and Unofficial Organizations Working on Post-War Planning in Great Britain. Lists organizations, their purposes, and their activities, including publications.

BUYS DE BARROS, A. B. "O Presidente Vargas e o Seguro Social no Brasil." *Trabalho e Seguro Social*, Rio de Janeiro, 2d Year, Vol. 5, No. 4 (April 1944), pp. 81-88.

Cites the main laws of Brazil's social insurance programs, and traces the financial evolution of the various funds and institutes, 1923-41.

"Caja de Seguro Obligatorio de Enfermedad e Invalidez." *Previsión Social*, Santiago, Chile, Vol. 10, No. 54 (October-December 1943), pp. 505-510.

Information on the Chilean Compulsory Insurance Fund budget for 1944.

CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA. *Referendum No. 84 on the Report of the Committee on Social Security in the United States*. Washington: The Chamber, 1944. 31 pp.

Contains a ballot listing 21 proposed declarations on social security, for vote by the organization members of the Chamber, with a summary of supporting and opposing arguments.

The report of the Social Security Committee, on which the declarations are based, is included as well as a negative report, prepared by a separate committee.

FISHER, ALLAN G. B. "The Clash Between Progress and Security." *Harper's Magazine*, New York, Vol. 189, No. 1130 (July 1944), pp. 185-192. 40 cents.

Declares that the main basis for economic and social security lies in a flexible and progressive economy in which some shifting of labor, management, and capital to the service and nonessential occupations is maintained as a goal and made economically feasible. By a New Zealand economist.

FREUNDLICH, EMMY. "Social Security for Housewives." *International Labour Review*, Montreal, Vol. 50, No. 2 (August 1944), pp. 161-168. 50 cents.

GRAHAM, FRANK D. "Post-War Employment." *Commercial and Financial Chronicle*, New York, Vol. 160, No. 4298 (July 13, 1944), pp. 171 ff. 60 cents.

A plan for Government purchase (with newly issued means of payment) of warehouse receipts and of goods at certain periods, and their release at others, as a means of combating depressions.

INTER-AMERICAN COMMITTEE ON SOCIAL SECURITY. *Provisional Bulletin No. 6*. Montreal: International Labor Office, June 1944. 63 pp.

Reviews the work of the Philadelphia Conference of the ILO on social security and gives the complete texts of the recommendations and resolutions in this field, prefaced by an introduction bringing out matters of significance to the American nations. Lists the members and substitute members of the Inter-American Committee, by country.

MONTENEGRO, SEVERINO. "O Seguro Social Brasileiro e as Tendências Gerais." *Revista do Serviço Público*, Rio de Janeiro, 7th Year, Vol. 2, No. 1 (April 1944), pp. 12-14.

Recommends adoption by Brazil of a unified social insurance system, comprehensive health insurance, and a national minimum standard of benefit.

"Post-War Planning in Latin America." *Monthly Labor Review*, Washington, Vol. 59, No. 1 (July 1944), pp. 107-111. 30 cents.

Information on planning bodies in 15 countries.

"Social Insurance in Argentina." *International Labour Review*, Montreal, Vol. 50, No. 2 (August 1944), pp. 249-250. 50 cents.

Data from reports on civil-service retirement, railway pensions, and workmen's compensation.

"Social Insurance in Bolivia." *International Labour Review*, Montreal, Vol. 50, No. 2 (August 1944), pp. 247-249. 50 cents.

Information on workmen's compensation and compulsory savings.

"Social Insurance in Costa Rica." *International Labour Review*, Montreal, Vol. 50, No. 2 (August 1944), pp. 244-245. 50 cents.

An outline of the regulations of November 15, 1943.

"Social Insurance in Ecuador." *International Labour Review*, Montreal, Vol. 50, No. 2 (August 1944), pp. 250-251. 50 cents.

From the Insurance Fund report for 1942.

SPECIAL LIBRARIES ASSOCIATION. *A Source List of Selected Labor Statistics*. Preliminary edition. Compiled by a committee of the Social Science Group. New York: The Association, 1944. 37 pp. \$1.50.

Lists and describes more than 75 publications, chiefly Federal and State, which appear oftener than once a year. Emphasis is on employment, hours, and wages, but unemployment insurance sources are also noted.

TWENTIETH CENTURY FUND. *Postwar Planning in the United States; An Organization Directory*, 3. New York: The Fund, 1944. 134 pp.

Gives the background, activities (including publications), and key personnel of 197 organizations—39 of them governmental—which operate "on a national or international, rather than a state or local, basis." A complete revision of earlier editions.

Old-Age and Survivors Insurance

JOURNAL OF COMMERCE AND COMMERCIAL. *Practical Pension Planning*. New York: The Journal, 1944. 60 pp. (Vol. 222, No. 15,440, May 15, 1944.) 35 cents.

The two general papers in this symposium are *Essentials of Pension Planning*, by Murray W. Latimer, and *The Planning of Retirement Benefits*, by George B. Buck. Other papers deal with plan construction, financial and legal aspects of private pension plans, and various specialized phases of such programs.

"A Pension Fund for the Cuban Sugar Industry." *International Labour Review*, Montreal, Vol. 50, No. 2 (August 1944), pp. 245-247. 50 cents.

Summarizes the regulations of November 16, 1943, giving the scope, administration, contributions, and benefits of the program.

U. S. BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM. *RETIREMENT SYSTEM OF THE FEDERAL RESERVE BANKS. Tenth Annual Report for the Fiscal Year Ended February 29, 1944*. New York: Retirement System of the Federal Reserve Banks, May 1944. 38 pp.

Employment Security

ALTMAN, RALPH, and LEWIS, VIRGINIA. "Limited Availability for Shift Employment: A Criterion of Eligibility for Unemployment Compensation." *North Carolina Law Review*, Chapel Hill, Vol. 22, No. 3 (April 1944), pp. 183-211. 80 cents. (Also in reprint form and in *Minnesota Law Review*, May 1944, pp. 387-412.)

The social problem of the working mother is emphasized in this analysis of State legislation, legal rulings, and administrative decisions on availability for work as a condition of unemployment benefits. Suggests guiding principles for a correct interpretation.

"Extension of Unemployment Compensation Coverage to Employers of One or More Workers; A Summary of Experience in Thirteen States Where Present Coverage Is That of One or More Workers." *U. C. C. Quarterly* (Unemployment Compensation Commission of North Carolina), Raleigh, Vol. 2, No. 2 (Spring 1944), pp. 35-39.

FABIAN SOCIETY, LONDON. *The Prevention of General Unemployment; Evidence Submitted to Sir William Beveridge in Connection With His Investigation Into Employment*. London: Fabian Publications Ltd., and Victor Gollancz Ltd., 1944. 20 pp. 6d.

Advocates policies affecting consumers' income (through a flexible income tax), investment flow (by advance public works planning and the creation of an investment board), Government funds (by changes in the relation of the Government to banks), and international investment policies.

GOLDBERG, BEATRICE A. "Prevention of Juvenile Delinquency Through Employment." *Placement - Unemployment Insurance Bulletin* (New York Department of Labor and U. S. Employment Service for New York),

Albany, Vol. 8, No. 3 (May-June 1944), pp. 7-8. Processed.

Describes cooperation between the U. S. Employment Service and the New York City Board of Education, whereby young persons with a record of truancy were interviewed and referred for jobs.

HARRIS, CHARLES U., AND MOODY, RALPH. "An Explanation of the Word 'Voluntarily' as Used in Connection With a Disqualification for Leaving Work." *U. C. C. Quarterly* (Unemployment Compensation Commission of North Carolina), Raleigh, Vol. 2, No. 2 (Spring 1944), pp. 43-44.

LOWE, JOHN. "Employers' Contributions." *New Mexico Employment Security Review*, Santa Fe (?), Vol. 4, No. 6 (July 1944), pp. 1-11. Processed.

Steps involved, under the New Mexico Unemployment Compensation Law, in establishing employer liability.

LOYSEN, MILTON O. "Proposals for Supplementation of State Unemployment Compensation Systems by Federal Subsidy." *Placement-Unemployment Insurance Bulletin* (New York Department of Labor and U. S. Employment Service for New York), Albany, Vol. 8, No. 3 (May-June 1944), pp. 2-6. Processed.

The text of a statement before the Special Senate Committee on Postwar Economic Policy and Planning opposing Federal supplementation of State funds.

MIDTBON, DOROTHY W. "Bill Jones Loses His Job." *New Mexico Employment Security Review*, Santa Fe (?), Vol. 4, No. 7 (August 1944), pp. 1-4. Processed.

Procedures and their practical effect in the filing and paying of unemployment benefits in New Mexico.

"The New Mexico Unemployment Compensation Law." *New Mexico Employment Security Review*, Santa Fe (?), Vol. 4, No. 5 (June 1944), pp. 3-13. Processed.

Exposition of the concepts central to understanding and applying the law, written especially for State employees.

"The Unemployed." *U. C. C. Quarterly* (Unemployment Compensation Commission of North Carolina), Raleigh, Vol. 2, No. 2 (Spring 1944), pp. 50-51.

Some of the characteristics of the unemployed during an active labor market with a table showing the

prevalence and nature of physical disability among claimants for benefit.

WOLL, MATTHEW. "Are We Preparing for Unemployment?" *American Federationist*, Washington, Vol. 51, No. 8 (August 1944), pp. 4-5 ff. 20 cents.

A survey of the labor market, which concludes by urging better unemployment benefits.

Public Welfare and Relief

BUELL, BRADLEY. "Everybody Benefits." *Survey Midmonthly*, New York, Vol. 80, No. 8 (August 1944), pp. 212-217. 30 cents.

The use of public and private welfare facilities by the people of Syracuse, N. Y., as revealed by the post-war planning survey in that city.

"Characteristics of Recipients of Aid to Dependent Children in Missouri, October 1942." *Index of Public Assistance in Missouri*, Jefferson City, Vol. 7, No. 1 (January-March 1944), pp. 3-21.

A statistical survey with a discussion of the law, its background, and administration, and an evaluation of the program.

CLARKE, ELIZABETH M. "The Children's Institution in the Child Welfare Program." *Public Welfare*, Chicago, Vol. 2, No. 8 (August 1944), pp. 195-199. 50 cents.

DAVIDSON, GEORGE F. "Family Allowances; An Instalment on Social Security." Part 1. *Canadian Welfare*, Ottawa, Vol. 20, No. 3 (July 15, 1944), pp. 2-6. 25 cents.

Description and discussion of a measure "to pay an allowance from tax funds to all children in Canada who are living in a family unit."

"Division of Public Welfare Quarterly Report, January 1 to March 31, 1944." *Puerto Rico Health Bulletin*, San Juan, Vol. 8, No. 2 (April-June 1944), pp. 117-136.

In addition to its statistical information, this report shows the progress made in developing the public welfare program established by Law 95 of 1943.

"Family Allowances in Uruguay." *International Labour Review*, Montreal, Vol. 50, No. 2 (August 1944), pp. 251-252.

TAFT, JESSIE, Editor. *A Functional Approach to Family Case Work*. Pennsylvania: University of Pennsylvania Press, 1944. 208 pp. (Pennsylvania School of Social Work, Social Work Process Series.) \$3.

The editor's introduction discusses functional as distinct from psychoanalytic methods, while Rosa Wessel's paper also emphasizes function in discussing case histories. Other articles include a consideration of the wartime problems of the private family agency.

Health and Medical Care

"Aid to Physically Handicapped." *Journal of the American Medical Association*, Chicago, Vol. 125, No. 15 (Aug. 12, 1944), p. 1042. 25 cents.

An editorial advocating "that federal activities relating to the physically handicapped be consolidated in an appropriate federal agency, such as the Federal Security Agency."

"Australia's Health Programme." *International Labour Review*, Montreal, Vol. 50, No. 2 (August 1944), pp. 207-214. 50 cents.

Recent action by the Commonwealth Government in accordance with its policy of introducing a comprehensive health service gradually.

BROWN, HELEN WEIGEL. "Shall We Tax Ourselves to Pay the Doctor?" *Liberty*, New York, Vol. 21, No. 34 (Aug. 19, 1944), pp. 15 ff. 10 cents.

Arguments for and against the medical provisions of the Wagner-Murray-Dingell bill; explains the measure and cites the medical needs of the Nation.

CANADA. PARLIAMENT. HOUSE OF COMMONS. SPECIAL COMMITTEE ON SOCIAL SECURITY. *Minutes of Proceedings*, Session 1944, No. 13, Thursday, July 27, 1944, Including Third Report and Draft Insurance Bill. Ottawa: King's Printer, 1944. 45 pp. (pp. 335-379 of 1944 Minutes).

The Committee has issued 41 volumes of Minutes (28 parts in 1943, 13 in 1944), presenting various viewpoints and much important documentary material on Canadian social conditions. The latest in the series contains the text of the draft health insurance bill submitted to the House of Commons on July 29, 1944, a proposed National Health Act, and a draft provincial bill for submission to the provincial legislatures.

FAXON, N. W. "The Place of Compulsion in Prepaid Health Care." *Hospitals*, Chicago, Vol. 18, No. 8 (August 1944), pp. 67-71. 30 cents.

Concludes a discussion of the Wagner-Murray-Dingell bill with a suggestion for accepting a "trial of compulsory health insurance, being

careful that it does not replace free enterprise in the shape of voluntary insurance, but that it is operated as a cooperative, supplementary plan."

FRIITZ, GEORGE B. "The UAW's Diagnostic Center." *Medical Economics*, Rutherford, N. J., Vol. 21, No. 11 (August 1944), pp. 95-96 ff. 25 cents.

The work of the Health Institute of the United Automobile Workers in Detroit.

"The Health Controversy." *The Economist*, London, Vol. 147, No. 5267 (Aug. 5, 1944), pp. 176-177. 1s.

Outlines the main differences between British organized medicine and the Ministry of Health proposals for a national health service.

IRONS, ERNEST E. "Evolution in Medicine." *Journal of the American Medical Association*, Chicago, Vol. 125, No. 13 (July 13, 1944), pp. 881-883. 25 cents.

Argues for evolutionary development of present medical care pro-

grams as a substitute for the "intervention of governmental bureaucracy."

LIVERIGHT, DOROTHY J. "Tuberculosis Mortality Among Residents of the 92 Cities of 100,000 or More Population: United States, 1931-41." *Public Health Reports*, Washington, Vol. 59, No. 29 (July 21, 1944), pp. 942-955. 5 cents.

MAGNUSSON, LEIFUR. *Workmen's Compensation for Public Employees; An Analysis of State and Federal Legislation*. Chicago: Public Administration Service, 1944. 43 pp. (Publication No. 88.) \$1.50.

MASUR, J. "Physical Restoration in the Vocational Rehabilitation Program." *Public Welfare*, Chicago, Vol. 2, No. 8 (August 1944), pp. 200-203. 50 cents.

"A National Health Service; Report of the Council of the B. M. A. to the Representative Body." *British Medical Journal*, London, May 13, 1944, pp. 643-652. 1s. 6d.

Criticisms and "constructive proposals" on the Government's White Paper on a National Health Service.

SANDERS, BARKEV S. "Disability Insurance." *U. C. C. Quarterly* (Unemployment Compensation Commission of North Carolina), Raleigh, Vol. 2, No. 2 (Spring 1944), pp. 51-52 ff.

The need for compensation for temporary disability, with suggested standards for a satisfactory program and comment on administrative problems.

SIGERIST, HENRY E. "Medical Care for All the People." *Canadian Journal of Public Health*, Toronto, Vol. 35, No. 7 (July 1944), pp. 253-267. 35 cents.

A review of medical needs in the United States and of the public services, particularly health insurance, regarded as necessary to meet them. Considers voluntary versus compulsory insurance, centralized or decentralized administration, and remuneration of physicians.

(Continued from page 19)

tion, and other public utilities; wholesale and retail trade; and service—comprised the great bulk of employers eligible for rate modification—approximately four-fifths of the total. In each of these divisions, roughly three-fourths of all rated employers received reduced contribution rates. The proportion of eligible accounts with rate reductions varied greatly from State to State, but in each of these divisions North Carolina had a lower proportion with reductions than any other State, and for each except service, Hawaii had a higher proportion. In the service division, rate reductions were most frequent in Alabama. All eligible employers in the transportation, communication, and other public utilities division in Hawaii had rate reductions in 1943.

In the mining industry division, which includes only 2 percent of all rated accounts, slightly more than half of all employers determined eligible for rate modification were assigned reduced rates. In Alabama, almost 90 percent of all rated employers engaged in mining had reductions, but in Maine no employers in this industry received rate reductions. In every State except New Jersey, the mining division was below the average

in the proportion of rated employers for whom rates were reduced.

Only 15 States assigned 1943 rates above the standard. In the mining and construction divisions, slightly less than one-fifth of all rated accounts received "penalty" rates. In no other industry division did the proportion exceed 5.5 percent. Although Delaware and South Carolina assigned penalty rates, the former assessed none on employers in the mining division and the latter, none on employers in the finance, insurance, and real estate division. On the other hand, Iowa required 77 percent of its rated mining employers, and Minnesota 76 percent of its construction employers, to pay contributions at more than the standard rate.

Major Legislative Changes Affecting Experience Rating

Although 10 States adopted "war-risk" contribution provisions in 1943, various other changes in State laws may have more permanent and far-reaching effects on financing unemployment benefits. Idaho, Maine, Maryland, Pennsylvania, and Tennessee adopted experience-rating provisions for the first time in 1943, and 31 additional States amended exist-

ing provisions. The effective date of the District of Columbia experience-rating provision was advanced from July 1, 1944, to July 1, 1943. Rate modifications became effective July 1, 1943, in all these 5 States except Pennsylvania and Tennessee, where the effective dates are January 1, and July 1, 1944, respectively. By October 1945, when experience-rating provisions are to be in effect in Louisiana and Nevada, employers in 44 of the 51 jurisdictions may become eligible for rate reductions.

Seven States lowered the maximum effective contribution rate under experience rating by legislative amendment in 1943. Maximum rates were reduced from 4.0 to 2.7 percent in Arkansas, the District of Columbia, and Texas, from 4.0 to 3.0 percent in Delaware, and from 3.6 to 3.5 percent in Wyoming; while in Indiana and Oklahoma all rates above 2.7 percent were suspended until January 1945.

Of the 6 States which adopted experience-rating provisions for the first time in 1943 or 1944, only Tennessee provides for a maximum rate above 2.7 percent. Twenty-seven experience-rating States now set 2.7 percent as the maximum, 16 have maximums above 2.7 percent, and 1 (Nevada) has no statutory maximum.

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